

Dated March 15, 1921.

DEED OF TRUST AND MORTGAGE

FROM

Abitibi Power & Paper Company,
Limited

IN FAVOUR OF

MONTREAL TRUST COMPANY,
TRUSTEE

SECURING AN ISSUE OF

\$14,000,000

CONSOLIDATED MORTGAGE SINKING
FUND GOLD BONDS

McGIBBON, MITCHELL, CASGRAIN,
McDOUGALL & STAIRS

Advocates, &c.

MONTREAL



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INDENTURE bearing date of the Fifteenth day of March, One thousand nine hundred and twenty-one.

BETWEEN:

ABITIBI POWER & PAPER COMPANY, LIMITED, a corporation duly incorporated and having its chief place of business in the City of Montreal, Province of Quebec, Dominion of Canada (hereinafter called "the Company")

Of the First Part;

AND

MONTREAL TRUST COMPANY, a corporation duly incorporated and having its principal office in the City of Montreal, Province of Quebec, Dominion of Canada (hereinafter called "the Trustee")

Of the Second Part.

WHEREAS the Company is duly incorporated under The Companies' Act (Canada), by Letters Patent bearing date the 9th day of February, A.D. 1911;

AND WHEREAS the Company is desirous of raising money for the purposes of its undertaking, and, with a view to so doing, is desirous of creating and issuing Consolidated Mortgage Sinking Fund Gold Bonds to be constituted and secured and to be issued from time to time in manner hereinafter appearing;

AND WHEREAS it is intended that the Bonds of the first issue shall be in the form or substantially in the form set forth in the First Schedule hereto;

AND WHEREAS the Company under the laws relating thereto is duly authorized to create and issue the Bonds so to be issued as herein provided, and to secure the same by this Trust Deed;

AND WHEREAS the creation and issue of the Bonds have been duly authorized under the provisions of By-Law XVI, adopted by the Directors at a meeting held on the 18th day of February, 1914, which by-law was duly ratified and confirmed at a Special General Meeting of Shareholders held the same day, and all necessary resolutions of Directors have been duly passed and other action taken and conditions complied with to make the creation and issue of the Bonds intended

to be hereby secured and the execution of these presents legal and valid and in accordance with the laws relating to the Company;

NOW THIS INDENTURE WITNESSETH, and it is hereby agreed and declared as follows:—

1. In these presents, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meanings, namely:—

“This Trust Deed,” “this deed,” “these presents,” “herein,” “hereby,” etc., refer to this Deed of Trust and Mortgage.

“Bonds” means the Consolidated Mortgage Bonds of the Company for the time being outstanding hereunder and entitled to the benefit of the security hereby created.

“Bondholders” or “holders” means as regards registered Bonds the several persons for the time being entered in the register as holders of the Bonds, and as regards unregistered Bonds the Learners thereof for the time being.

“Company” means Abitibi Power & Paper Company, Limited.

“Directors” means the Directors of the Company for the time being, and reference without more to action by the Directors shall mean action by the Directors as a board.

“Trustee” means Montreal Trust Company or its successor for the time being in the trust hereby created.

“Specifically mortgaged premises” means the property real, immovable and personal expressed herein to be now or hereafter mortgaged, pledged and charged by way of a fixed and specific mortgage, pledge and charge, or intended so to be, with the payment of the moneys hereby secured.

“Mortgaged premises” means the specifically mortgaged premises and all other property hereby or in any deed supplemental hereto mortgaged, pledged or charged, or intended so to be, with the payment of the moneys aforesaid, whether by fixed or floating charge.

“Underlying Bonds,” “Underlying Mortgages” and “Underlying Bonds and Mortgages” have the meanings set forth in Clause 15 hereof.

“Underlying Deeds of Trust” means the instruments of mortgage, pledge and charge, securing the Underlying Bonds and more fully described in the said Clause 15 hereof.

And words importing the singular number only shall include the plural, and *vice versa*, and words importing the masculine gender shall include the feminine, and words importing persons shall include firms and corporations, and *vice versa*.

2. The Bonds authorized to be issued under this deed are limited to a total amount not exceeding in the aggregate Fourteen million (14,000,000) dollars principal amount. The Bonds may be issued from time to time and the Bonds of each issue may be dated and made payable on such date or dates (the maturity date to be not later than the 15th day of March, 1940) as may be determined by the Directors of the Company at the time of each issue thereof and expressed in the

Bonds of each issue. The Bonds of each issue may, in the discretion of the Directors, be issued either as coupon Bonds or as registered Bonds without coupons, or in part one and in part the other. Each issue of Bonds shall bear interest at such rate not exceeding eight (8) per centum per annum, shall contain such provisions in respect of payment thereof with or without deduction for taxes, and with or without a premium in the event of the Bonds becoming payable before maturity whether by default or otherwise, may be subject to such provisions for the call or redemption thereof before maturity, shall be in such denominations, and may contain such provisions for the interchange or transfer of Bonds thereof of different denominations or forms, as shall be determined by the Board of Directors at the time of the first issue of any Bonds of such issue and expressed in the Bonds of such issue. At the option of the Board of Directors from time to time the principal or interest or both of all Bonds of any issue may be made payable in gold coin or other moneys constituting legal tender in Canada or in the United States of America, in the United Kingdom of Great Britain and Ireland, or in any other country or countries and at such fixed rate or rates of exchange, and at such places, as shall be determined by the Board of Directors at the time of the first issue of any Bonds of such issue and expressed in the Bonds of such issue. All Bonds of any particular issue shall be alike in all respects aforesaid, except that the same may be of different denominations and may consist in part of coupon Bonds and in part of registered Bonds without coupons and may contain such variations of tenor and effect as are incidental to such differences of denomination and form, including variations in the provisions for interchange of Bonds of different forms and denominations and in the provisions for the registration and transfer of Bonds.

The Bonds of each particular issue shall be marked by a distinguishing letter, the initial issue to be marked with the letter A. The several Bonds of each issue and of each denomination thereof shall also be marked with distinguishing numbers. Any Bonds may bear such notation regarding the reservation of Bonds of one denomination for exchange for Bonds of another denomination as may be considered advisable by the Directors and approved by the Trustee in order to comply with the rules of any stock exchange or to conform to usage.

The text of the Bonds and coupons appertaining thereto, and of the certificates of the Trustee and of the conditions endorsed on the Bonds shall be respectively substantially similar to those set forth in the First Schedule hereto, excepting, however, that each issue of Bonds may contain such appropriate insertions, omissions and variations in respect of the moneys in which the Bonds and interest thereon are payable, denominations, distinguishing letters and numbers, rate of interest, place and medium of payment, redemption provisions, if any, and any provisions as to payment with or without deduction for taxes, and with or without a premium in the event of the Bonds becoming due and payable before maturity, the interchange of Bonds of the same issue, but of different denominations, as the Board of Directors shall determine at the time of issue thereof and as shall be approved by the Trustee.

The Bonds of the initial issue shall be dated March 15th, 1921, and shall mature and become payable on March 15th, 1931, and shall bear interest at the rate of eight (8) per centum per annum, shall be payable both principal and interest at the holder's option at the office of The First National Bank, in the City of Chicago, in the State of Illinois, United States of America, or at the Chase National Bank, in the City of New York, in the State of New York, United States of America, in gold coin of the United States of America, of the present standard of weight and fineness and shall consist of coupon Bonds of the denominations of \$1,000, \$500 and \$100 or multiples thereof in such proportions as the Company shall designate, with privilege of registration as to principal only. The \$1,000, \$500 and \$100 Bonds of the initial issue shall be interchangeable, subject to such reasonable regulations as the Company may from time to time prescribe. In the event of the principal of the Bonds of the initial issue becoming due and payable before maturity, whether by default or otherwise, the holders thereof shall be entitled to be paid One hundred and ten (110) per centum of their par value and accrued interest.

Two million (2,000,000) dollars principal amount of the initial issue of the Bonds, or any part thereof, and the interest thereon, may, upon the request of Peabody, Houghteling & Co., Incorporated, Investment Bankers, of Chicago, be made payable in Canada, in gold coin of the present standard of weight and fineness, at the offices of The Royal Bank of Canada, in Montreal, Que., or Toronto, Ont., provided, however, that if at the time any payment of principal or interest shall become due or payable on said Two million (2,000,000) dollars of Bonds under any of the provisions hereof, gold payments shall, by act of the Dominion Government or by law, be suspended in Canada, or if at such time, by like operation of law, Dominion Notes are not redeemable in gold coin and the Company shall in consequence be unable to obtain gold coin except by payment of a premium, then in either of said events such payment shall be made in Notes of the Dominion of Canada.

All Bonds issued hereunder shall rank *pari passu* and be secured equally and ratably without discrimination or preference whatever may be the date or terms of issue thereof respectively.

The coupons for interest, if any, matured at the date of delivery by the Trustee, on Bonds issued hereunder, shall be detached from the same and cancelled before delivery.

3. The Bonds may be issued and certified from time to time as follows:

(1) Four million (4,000,000) dollars principal amount of Bonds (herein referred to as the initial issue), divided into such denominations bearing such numbers (each such number to be preceded by the letter A) as the Secretary of the Company shall determine, shall be forthwith or from time to time executed by the Company, and forthwith upon such execution shall be certified by the Trustee and delivered to the Secretary of the Company, or upon his written order.

(2) Not more than Seven million eight hundred and fifteen thousand five hundred (7,815,500) dollars additional principal amount of the Bonds may be from time to time certified and delivered pursuant to the provisions of this sub-clause (2) for the purpose of refunding, paying or purchasing or otherwise acquiring before the maturity thereof a like principal amount of the Underlying Bonds hereinafter described in Clause 15 hereof, provided that no such Underlying Bonds so refunded, paid, purchased or otherwise acquired shall have been used in satisfaction of any sinking fund requirement of the Underlying Deeds of Trust, or shall have been purchased or paid out of any such sinking fund or release or insurance moneys or other proceeds of the security therefor under said Underlying Deeds of Trust, or shall previously have been used as the basis for the issue of any Bonds hereunder.

Whenever the Company shall deliver to the Trustee (a) evidence satisfactory to the Trustee that a principal amount of Underlying Bonds equal to the principal amount of the Bonds to be certified and delivered has been, or concurrently with the certification and delivery of such Bonds will be cancelled, (b) a certified copy of resolutions duly adopted by the Board of Directors of the Company describing the Underlying Bonds to be refunded and certifying that the same have not been used as the basis for the issue of any Bonds or purchased or redeemed out of any sinking fund or release or insurance moneys or other proceeds of the security therefor or used to make any sinking fund payments under the Underlying Deeds of Trust, and authorizing the issue and requesting the certification of Bonds in respect thereof, and specifying the date, and the particulars and provisions to be expressed in the Bonds in accordance with Clause 2 hereof, and (c) the opinion of counsel satisfactory to the Trustee (who may be of counsel for the Company), that all legal requirements in connection with the proposed issue of Bonds have been met, the Trustee shall thereupon certify and deliver to the Secretary of the Company or upon his written order a principal amount of the Bonds equal to the principal amount of Underlying Bonds so cancelled.

If at any time, through the operation of the respective sinking funds or otherwise, any of said Underlying Bonds shall be retired and cancelled, a like principal amount of the Bonds reserved for issue under the provisions of this sub-clause (2) shall be cancelled and shall not be available for issue under the provisions of the next sub-clause or for any other purpose whatsoever.

(3) Two million one hundred and eighty-four thousand five hundred (2,184,500) dollars principal amount of said Bonds may from time to time be issued and certified and delivered to the Company or its order for the purpose of providing the Company with additional working capital provided that before the issue, certification and delivery of any such additional Bonds the Trustee shall have been duly furnished with

(a) A properly certified copy of a resolution or resolutions duly adopted by the Board of Directors of the Company stating the principal amount of Bonds which the Company desires to issue and have certified for the purpose of providing additional working capital and authorizing the issue of and requesting

the certification and delivery to the Secretary of the Company or otherwise to its order of Bonds in respect thereof, and specifying the date, and all other particulars and provisions to be expressed in the Bonds in accordance with Clause 2 hereof.

If the principal and interest of the Bonds so authorized to be issued are to be payable in the same moneys, at the same time and at the same places, bear the same rate of interest and subject to the same provisions as the Bonds of the initial issue, such Bonds may be in the same form, bear the same date and distinguishing letter as the Bonds of the initial issue.

(b) A certificate of the Company's auditors establishing that the net earnings of the Company applicable to the payment of interest and depreciation for the fiscal year immediately preceding each application for the issue of Bonds for providing additional working capital were at least equal to four times the aggregate annual interest requirements on all the Company's outstanding Underlying Bonds and all Bonds secured and outstanding hereunder plus those about to be issued.

The term "net earnings of the Company" as used herein shall mean the combined gross income from the operation of all plants and properties of the Company (including in such gross income the proceeds of the products derived from or manufactured in such plants and properties) dividends, interest and revenue received from all other sources, less all administration, selling and operating expenses of every character in connection therewith. Without limitation of the generality of the foregoing, operating expenses shall include insurance, maintenance, repairs, rentals, licenses, taxes (other than income or business profits taxes).

(c) The consent in writing of Peabody, Houghteling & Company, Incorporated, Investment Bankers, of the City of Chicago, in the State of Illinois, or their successors in business, to the issue of the additional Bonds applied for by the Company for the purpose of providing additional working capital.

(4) Whenever the Company shall desire to anticipate the issue of Bonds for refunding purposes under the provisions hereof, Bonds reserved hereunder for issue for such purpose shall be certified and delivered by the Trustee to the Secretary or Assistant Secretary of the Company or upon his written order upon receipt by the Trustee of the documents specified in this sub-clause (4) and of an amount of cash equal to the principal amount of the Bonds so to be issued, provided that the Trustee shall not certify and deliver Bonds under this sub-clause (4) to such an extent that the total amount of cash on deposit with the Trustee in this behalf at any one time shall exceed One million (1,000,000) dollars.

Each application for the issue of Bonds under this sub-clause (4) shall be accompanied by a certified copy of a resolution of the Board of Directors specifying the Bonds to be refunded, which shall be Bonds referred to in sub-clause (2) of this clause and shall be not less in principal amount than the Bonds to be issued, and stating the manner in which the same are to be retired, and in any case specifying the date, and all other particulars and provisions to be expressed in the Bonds

in accordance with Clause 2 hereof. Such application shall be accompanied also by the opinion of counsel satisfactory to the Trustee (who may be counsel for the Company) that all legal requirements in connection with the proposed issue of Bonds have been met.

Money so deposited with the Trustee to anticipate the issue of Bonds for refunding purposes shall be repaid to the Company by the Trustee upon the application of the Company from time to time under the same conditions and in the same amounts, and upon filing the same documents as under sub-clause (2) of this clause are provided for in respect of the issue of Bonds for refunding purposes, except that such documents instead of requesting the certification and delivery of Bonds and describing the Bonds, shall request the repayment of money, and that an opinion of counsel shall be necessary.

4. The Bonds shall be under the seal of the Company, and shall be signed by the President or Vice-President of the Company, and countersigned by the Secretary or Assistant Secretary of the Company holding office at the time of the signing. The signature of the President or Vice-President may be engraved or lithographed on the Bonds, and such engraved or lithographed signature shall for all purposes be deemed the signature of such President or Vice-President. Notwithstanding any change in any of the persons holding said offices between the time of actual signing and the certifying and delivery of the Bonds, and notwithstanding the President or Vice-President or Secretary or Assistant Secretary signing may not have held office at the date of the Bonds, or at the date of the certifying and delivery thereof, the Bonds so signed shall be valid and binding upon the Company. The interest coupons attached to the Bonds shall have engraved or lithographed thereupon the signature of the Treasurer of the Company, and such signature shall for all purposes be deemed as signed by him and shall be binding upon the Company, notwithstanding that the person whose signature may have been so engraved or lithographed is not at the date of the Bond or at the date when the Bond is issued or the coupon is presented for payment the Treasurer of the Company.

No Bond shall be issued, or if issued shall be obligatory or entitle the holder to the benefit of the security hereby created, until it has been certified by or on behalf of the Trustee in substantially the form set out in the First Schedule hereto or in some other form approved by the Trustee, and such certificate on any Bond shall be conclusive evidence that it is duly issued, is a valid obligation of the Company and is secured hereby.

5. Pending the delivery of lithographed or engraved Bonds to the Trustee, the Company may execute and the Trustee certify in lieu thereof interim Bonds or certificates, with or without coupons, in such forms and in such denominations as the Trustee and the Company may approve, entitling the holders thereof to definitive Bonds when the same are ready for delivery, without expense to such holders, or the Company may execute a Temporary Bond for the principal amount of Bonds from time to time authorized to be issued hereunder and deliver same to the Trustee, and thereupon the Trustee may issue and certify Interim Certificates

in such form and in such amounts, not exceeding in the aggregate the principal amount of the Temporary Bond so delivered to it, as the Company and the Trustee may approve entitling the holders thereof to definitive Bonds when same are ready for delivery, without expense to such holders; and when so issued and certified by the Trustee such interim Bonds or certificates shall for all purposes rank in respect of this Indenture equally with Bonds duly issued hereunder, and, pending such exchange, the holders of the said interim Bonds or certificates shall be deemed to be bondholders and entitled to the benefit and security of this Indenture to the same extent and in the same manner as though the said exchange had actually been made.

6. In case any of the Bonds or coupons issued and secured hereunder shall become mutilated or be lost or destroyed, the Company in its discretion may issue and thereupon the Trustee shall certify and deliver a new Bond or deliver a new coupon of like tenor as the one mutilated, lost or destroyed, in exchange for and in place of and upon cancellation of the mutilated Bond or coupon, or in lieu of and substitution for the same, if lost or destroyed; and the substituted Bond or coupon shall be in a form approved by the Trustee and shall be secured hereby equally with all other Bonds or coupons issued or to be issued hereunder, and without preference or priority one over another.

In case of loss or destruction, the applicant for a substituted Bond or coupon shall furnish to the Company and to the Trustee such evidence of the loss or destruction of the Bond or coupon so lost or destroyed as shall be satisfactory to the Company and to the Trustee in their discretion, and such applicant shall also furnish indemnity satisfactory to them in their discretion.

7. Bonds secured hereby pledged or sold or otherwise issued by the Company, upon being released from pledge, or upon being repurchased or otherwise acquired by the Company (except when acquired by call for redemption pursuant to the provisions of the bonds or of this Trust Deed) may again be sold, pledged, or otherwise issued, re-issued or disposed of by the Company as often as it may repossess or acquire the same, and thereupon shall continue to be entitled to the security of this Trust Deed as upon their original issue.

8. The Company shall at all times cause to be kept by and at the office of, the Trustee in the City of Montreal, and may cause to be kept at such other place or places and by such other Registrar or Registrars as may be prescribed by the Company and approved by the Trustee, registration books in which the holder or holders of Bonds may register the same as to principal only, and which, at all reasonable times, shall be open for inspection by the Trustee or by any bondholder. Such registration shall be noted on the Bond, after which no transfer shall be valid unless made by the registered owner or his attorney on the transfer book at the office where such Bond is registered, and similarly noted on the same Bond, but any coupon Bond may be discharged from registry by being transferred to bearer, after which it shall be transferable by delivery, but may be again and from time to time registered and discharged from registry. The Trustee or other Registrar

shall be entitled to a reasonable fee not exceeding one dollar per Bond for each registration or transfer, and, except as herein provided, for each exchange of Bonds, to be paid by the bondholder.

Notwithstanding registration of a Bond the coupons when detached shall continue to be negotiable.

9. The Company shall also cause to be kept by, and at the office of, the Trustee in the City of Montreal, and at such other place or places and by such other Registrar or Registrars as the Company with the approval of the Trustee may designate, a register or registers in which shall be entered the name and post office address of every holder of any of the Bonds who may so require, and which, at all reasonable times, shall be open for inspection by the Trustee or by any bondholder. Every bondholder may for that purpose communicate his post office address to the Trustee.

10. The registered holder for the time being of any of the Bonds when registered, and the bearer thereof for the time being when not registered, and the bearer of each of the interest coupons annexed to any of the Bonds shall be entitled to the principal moneys and interest secured by such instruments respectively free from all equities or rights of set-off or counter-claim between the Company and the original or any intermediate holder thereof, and all persons may act accordingly, and the receipt of any such registered holder or bearer, as the case may be, for any such principal moneys and interest shall be a good discharge to the Company or the Trustee for the same, and neither the Company nor the Trustee shall be bound to enquire into the title of any such registered holder or bearer.

11. As regards unregistered Bonds, the Company and the Trustee may treat a certificate signed by any bank or trust company approved by the Trustee, stating that the bearer of the certificate is entitled (or to the best of its knowledge and belief is entitled) to any specified Bond or Bonds hereby secured, and that such Bond or Bonds have been deposited with such bank and will remain so deposited until the surrender of the certificate, as sufficient evidence of the ownership of such Bond or Bonds as far as concerns any request, direction or consent to be made or given by the holder of the Bond or Bonds so deposited. As regards registered Bonds so far as concerns any request or direction or consent as aforesaid the Company and the Trustee may treat the registered owner as the owner without actual production of such Bond or Bonds. The bearer of Bonds not registered and the bearer of interest coupons may be treated by the Company and the Trustee as the absolute owner of such Bonds or coupons for all purposes.

12. All notices to be sent hereunder to the holder of a registered Bond shall be deemed to be validly given if sent by registered mail, prepaid, addressed to said bondholder at the latest address on the registration books. All notices to be sent hereunder to bondholders who have not registered their Bonds or their post office addresses as provided in clause 9 hereof shall unless otherwise herein provided be deemed to be validly given in so far as the holders of the Bonds of the initial issue are concerned if advertised in "*The Gazette*" or some other newspaper published

in the City of Montreal, approved by the Trustee, "*The Mail and Empire*" or some other newspaper published in the City of Toronto, Ontario, approved by the Trustee, "*The Chicago Tribune*" or some other newspaper published in the City of Chicago, approved by the Trustee and in "*The New York Times*" or some other newspaper published in the City of New York, approved by the Trustee, twice a week for two successive weeks, and in so far as the holders of Bonds of any other issue are concerned if advertised in such newspapers in such places and for such time as shall be determined by the Directors at the time of the issue thereof and expressed in the conditions endorsed on such Bonds, and such advertisements shall be deemed valid notice for all purposes connected with the present instrument unless otherwise herein provided. All notices to be sent hereunder to bondholders who have not registered their Bonds but have registered their post office addresses as provided in Clause 9 hereof shall be deemed to be validly given if both sent by registered mail, prepaid, addressed to such bondholders at their respective registered address and advertised as above provided. Any notice so advertised or served by post or advertised and served by post shall be deemed to have been validly given or served at the expiration of three (3) days after it is posted or first advertised or posted and first advertised as aforesaid.

13. In consideration of the premises and of One dollar (\$1.00) to it in hand paid by the Trustee (the receipt whereof is hereby acknowledged) and to secure the due payment of the principal and interest of the Bonds from time to time issued and certified hereunder, and the performance of the obligations of the Company herein contained, and in pursuance of the power and authority hereinbefore recited and of every other power and authority it thereunto enabling, the Company (subject to the Underlying Deeds of Trust and Mortgage hereinafter mentioned insofar as they respectively apply thereto) doth hereby grant, bargain, sell, convey, assign, demise, transfer, set over, mortgage, pledge and charge as and by way of a fixed and specific mortgage, pledge and charge to and in favor of Montreal Trust Company, party hereto of the second part, and its successors in the trust, as Trustee for the benefit of the holders of the said Bonds, for and with the payment of the sum of fourteen million (14,000,000) dollars, being the amount of the Bonds authorized to be issued hereunder, and interest thereon at the rate of not exceeding eight (8) per centum per annum, designated in the Bonds from time to time issued and certified hereunder, and with the payment of all other sums from time to time due hereunder to the bondholders or to the Trustee, its successors or assigns, and also the payment of all other moneys, if any, for the time being and from time to time owing on the security hereof and of the Bonds, ALL AND SINGULAR its leasehold and freehold real property described in the Second Schedule hereto, and its leasehold real property described in the First Part of the Third Schedule hereto, together with all buildings, erections, easements, tramways, reservoirs, dams, flumes, race and other ways, water powers, aqueducts, wells, roads, piers, wharves, machinery, plant, poles, wires, telephones, supplies, carriers, railway sidings and trestles thereon, and any and all

easements connected therewith or appertaining thereto, and all its fixed and loose machinery, plant, engines and other appliances and fixtures of every kind and wheresoever situate, and ALL AND SINGULAR its works now made or in course of construction at Iroquois Falls, Twin Falls, Couchiching Falls or other points on the Abitibi River or at Abitibi Lakes in the District of Temiskaming in the Province of Ontario or elsewhere, or hereafter to be constructed and also all properties real or personal, timber licenses, concessions, standing timber and standing pulpwood, rights, privileges and franchises, and also all shares of the capital stock of and securities issued by any company or companies now owned, held or enjoyed by the Company or hereafter to be acquired, held, owned or enjoyed by it, and the Company doth hereby assign, transfer and set over unto the Trustee the several agreements, leases and licenses with and from the Government of the Province of Ontario, set forth or referred to in the Second Part of the Third Schedule hereto, and to the benefit of which the Company is now entitled, together with all rights, privileges, franchises and concessions thereby granted and all benefit and advantage to be derived therefrom or appurtenant thereto, and all the right, title and interest of the Company therein and thereto respectively, but saving and excepting therefrom the respective last days of the terms of the leases set out in the said First and Second Parts of said Third Schedule, and provided always that nothing herein contained shall render the Trustee liable to perform any of the covenants or obligations on the part of the Company or the lessee, licensee or grantee, in any of the said agreements, leases or licenses contained.

14. And for the same consideration and for the same purposes and pursuant to the same powers the Company (subject as aforesaid) hereby mortgages, pledges and charges to and in favor of Montreal Trust Company, party hereto of the second part, and its successors in the trust, as Trustee for the benefit of the holders of the said Bonds, with the payment of the said sum of fourteen million (14,000,000) dollars, being the amount of the Bonds authorized to be issued hereunder, and interest thereon as aforesaid and with the payment of all other sums from time to time due hereunder to the bondholders or to the Trustee, its successors or assigns, and likewise the payment of all other moneys, if any, for the time being and from time to time owing on the security hereof and of the Bonds, all its property and assets, for the time being, both present and future of whatsoever kind and wheresoever situate (other than the specifically mortgaged premises), including its undertaking, franchises, goodwill, credits, merchandise, raw materials, stock-in-trade, tolls, rents, incomes, moneys, contracts, rights, powers and privileges, now owned or hereafter acquired by the Company; and the mortgage, pledge and charge created by this clause shall (except as regards the specifically mortgaged premises) be a floating charge, and shall accordingly in no way hinder or prevent the Company, until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, from selling, alienating, mortgaging, charging, leasing, paying dividends out of profits, or otherwise disposing of or dealing with such property and assets in the ordinary course of business and

for the purpose of carrying on the same, and without limiting the generality of the foregoing provision it shall in no way hinder or prevent the Company from borrowing from bankers or others on the security of the Company's accounts or bills receivable, cordwood, pulpwood (but not standing timber) pulp, paper, logs, lumber, raw materials or other stock-in-trade, or mercantile documents relating to goods sold or shipped to or by the Company, on any other property not included in the specifically mortgaged premises, such sums of money as the Company may from time to time deem necessary for the purpose of carrying on its business, or from issuing its obligations, negotiable or otherwise, for the sums so borrowed, or from creating for the security of such obligations any specific mortgage, pledge or charge on any such property and assets ranking in priority to or *pari passu* with the security hereby constituted. The Company covenants that it will not, save as aforesaid, create any mortgage or charge on the mortgaged premises, or any part thereof, ranking or purporting to rank in priority to or *pari passu* with the security hereby constituted.

15. TO HAVE AND TO HOLD the mortgaged premises unto the said Trustee, its successors and assigns forever, but in trust nevertheless as security for the payment of the principal and interest of the Bonds, and of all other sums from time to time due hereunder to the bondholders or to the Trustee and for the purposes and subject to the conditions, provisions, covenants and stipulations herein expressed, but subject to the Underlying Deeds of Trust and Mortgage; PROVIDED always and it is hereby expressly declared that the specific mortgage and charge and the floating mortgage, pledge and charge hereby created are, with respect to the property covered thereby respectively, subject and subordinate to

(a) The mortgage, pledge and charge under the Deed of Trust from the Company to The Royal Trust Company, as Trustee, executed the 18th day of February, 1914, and all other deeds and indentures supplemental thereto which have been executed pursuant to the requirements thereof, securing an aggregate principal amount of Five million (5,000,000) dollars Six Per Cent First Mortgage Serial Gold Bonds of the Company, of which there are now issued and certified Bonds outstanding of an aggregate par value of Three million eight hundred and fifteen thousand five hundred (3,815,500) dollars.

(b) The mortgage, pledge and charge under the Deed of Trust and Mortgage from the Company to the Montreal Trust Company, Trustee, dated the 23rd day of March, 1920, and all deeds and indentures supplemental thereto which have been executed pursuant to the requirements thereof, securing an aggregate principal amount of Five million (5,000,000) dollars General Mortgage Twenty-Year Six Per Cent Sinking Fund Gold Coupon Bonds, of which there are now issued and certified and are now outstanding Bonds of an aggregate par value of Four million (4,000,000) dollars.

The said Bonds of the Company are herein referred to collectively as the "Underlying Bonds," and the Mortgages securing said Bonds are herein referred

to as the "Underlying Mortgages," and the said "Underlying Bonds and Mortgages" are herein referred to collectively as the "Underlying Bonds and Mortgages."

16. It is hereby declared that the last day of any term of years reserved by any lease verbal or written or any agreement therefor now held or hereafter acquired by the Company, and whether falling within a general or particular description of the property hereunder is hereby excepted out of the mortgage and charge hereby created and does not and shall not form any part of the mortgaged premises, but the Company shall stand possessed of the reversion remaining in the Company of any leasehold premises for the time being demised as aforesaid upon trust for the Trustee, and of any renewal of any such term for the purposes of these presents, and to assign and dispose thereof as the Trustee shall for such purposes direct, and upon any sale or sales of the leasehold premises or any part thereof, the Trustee shall, for the purpose of vesting the aforesaid residue of any such term or any renewal thereof in any purchaser or purchasers thereof, be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid residue, and any renewal of any such term, in the place of the Company, and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation hereunder respecting the same, and the Company hereby assigns to the Trustee, its successors and assigns, the full benefit of all covenants, powers, provisos, and conditions contained in any lease, verbal or written, or any agreement therefor now existing or hereafter to be acquired by the Company, and any renewal or renewals thereof.

If and whenever from time to time so long as any of the Bonds shall be outstanding and unpaid the Company shall be entitled to or would but for these presents be entitled to obtain a renewal or renewals of any leases, licenses, concessions or agreements, or to obtain any new lease or leases of any premises demised to the Company, or to obtain any licenses, concessions or agreements, it will from time to time duly exercise all and every such rights of renewal or otherwise, if valuable, and will obtain such new leases, licenses, concessions or agreements for the longest time or times, if advantageous, and upon the most favourable terms obtainable, including all rights of further renewal, and will from time to time forthwith after the making thereof, assign all such leases, licenses, concessions and agreements to the Trustee, saving and excepting the respective last days of any terms thereby granted, which shall be held by the Company in trust for the purposes and in the manner hereinbefore provided.

17. The mortgages, pledges and charges hereby created shall be and be deemed to be effective and shall have effect whether or not the moneys thereby secured or any part thereof shall be advanced before or after or at the same time as the issue of any of the Bonds intended to be thereby secured or before or after or upon the date of the execution of these presents.

18. The Company shall forthwith and from time to time execute and do all deeds, documents and things which in the opinion of the legal advisers of the Trustee are necessary for giving the Trustee (so far as may be possible under the local laws of the places where the said premises are situate respectively) a valid, fixed and specific charge, mortgage or security upon the specifically mortgaged premises, or upon any property, whether now owned or hereafter acquired, intended to be included therein, and a valid floating charge or security of the nature hereinbefore specified upon the residue of the mortgaged premises, or upon any property, whether now owned or hereafter acquired, intended to be included therein, for all principal moneys and interest for the time being and from time to time owing on the security of these presents and the Bonds, and all other moneys intended to be secured by these presents, and for conferring upon the Trustee such powers of sale and other powers over the same premises as are hereby expressed to be conferred.

19. All shares, stocks, bonds, debentures or other securities of any company forming part of the specifically mortgaged premises, or the certificates or other documents of title representing the same, shall, after all the Underlying Bonds shall have been duly paid and redeemed, be deposited with the Trustee for the present issue of Bonds and the same shall be transferred or issued to or otherwise duly vested in the Trustee for the present issue of Bonds to be held by such Trustee upon the trusts and subject to the powers and provisions herein contained.

20. The Trustee may, from time to time, hold any shares, stocks, bonds, debentures or other securities deposited with or transferred to it, either in the name of the Trustee or in the name of any person or corporation approved by the Board of Directors of the Company, and the Trustee shall not be responsible for any defalcation, misconduct or negligence of any such person or corporation with respect to the deposited shares, stocks or securities or with respect to the dividends, profits or interest thereon or otherwise.

21. Notwithstanding any mortgage or charge upon the mortgaged premises hereinbefore contained, or any assurances of or mortgages or charges upon the said premises or any of them, which may be executed by the Company in pursuance of the covenants by it herein contained or any deposit or transfer of shares, stock, bonds or other securities of any company with or to or for the Trustee until the security hereunder shall become enforceable, the Company, in the same manner and to the same extent as if these presents had not been executed, but subject to the express terms hereof, shall be suffered and permitted to possess, operate, manage, use and enjoy the mortgaged premises, freely to control the conduct of its business, and, if necessary or if deemed expedient, to close and suspend temporarily the operations of any of the properties hereby mortgaged, provided the same are at all times kept and maintained in first class operating order and condition, and to take and use the rents, incomes, dividends, profits and issues thereof, claims and demands in judgment or otherwise, forming part of the mortgaged premises and any such dividends, profits or interest received by or for the

Trustee shall be paid over to the Company; Provided, however, and hereby it is declared and agreed that

(1) The Company shall not be entitled to receive, and the Trustee shall not pay over to the Company, the principal of any bonds, debentures or other securities specifically mortgaged hereunder;

(2) The Company shall not be entitled to receive and the Trustee shall not pay over to the Company any amounts payable in respect of any such bonds, debentures or other securities which shall have been collected or paid out of the proceeds of any sale or condemnation of the property covered by a mortgage securing such bonds, debentures or other securities, or out of the proceeds of the sale or condemnation of any other property of the Company subject to the lien of such bonds, debentures or other securities, in case of the dissolution or a liquidation of such Company, or of any condemnation of any of its property, it being the intention that the Company shall be entitled to receive only payments made in money out of the rents, revenues, income, accumulated surplus earnings or proceeds of operation of such properties; and

(3) The Company shall not be entitled to collect any stock dividends that may be declared on any shares of the capital stock of other corporations that are or shall have been specifically mortgaged hereunder or any cash dividends on any such shares that may become payable upon or in the course of the dissolution, liquidation or winding up of any such company, or in any way which shall be chargeable to or be payable out of capital; and

(4) The Company by its officers or others thereunto duly authorized shall, so long as it is not in default hereunder, be entitled under proxies to be given by the Trustee or other holders of said shares and stocks in that behalf to vote upon any shares and stocks forming part of the specifically mortgaged premises at all meetings of the companies and of the shareholders of such companies, of whose capital such shares and stocks may form part, and from time to time the Trustee shall forthwith execute and deliver to the Company, or its nominees, suitable proxies for all purposes, except the creation of any mortgage or charge upon the real and immoveable property and the fixed assets of such companies or any sale thereof for any purpose not expressly authorized hereunder. Provided that if and so long as the Company may not be entitled to said proxies, the Trustee shall have the right to vote upon such shares and stocks, and the Trustee, during the same period, may retain the said dividends, profits and interest, and may pay the same over to the Company upon the default ceasing or being made good. Provided also that the Company shall do whatever may be necessary in order to preserve the corporate existence and the corporate rights and franchises of the companies of whose capital stocks any such shares and stocks may form part, and for such purpose the Trustee shall permit the transfer from time to time of so many of said shares and stocks held by it as may be necessary to qualify persons to act as directors of the said companies upon obtaining from such directors proper declarations of trust in respect of the said qualifying shares.

22. The mortgage or pledge hereunder to the Trustee of any shares, debentures or other securities shall in no wise prevent the consolidation or merger of any company the shares or debentures or other securities whereof have been specifically pledged hereunder, with the Company or any other company, but such consolidation or merger of any such company with the Company or any other company may be effected under any existing or future law governing the same, notwithstanding anything herein contained, provided such consolidation or merger shall be made on such terms and at such time and otherwise in such manner as shall be approved by the Company and assented to by the Trustee as in nowise prejudicial to the interest of the bondholders, and upon such approval and assent the Trustee shall facilitate the same in all respects (so long as there is no default hereunder) or in case of and during such default by vote of the holders of sixty-five (65) per cent in value of the Bonds then outstanding passed at a meeting of the bondholders convened in accordance with the provisions hereinafter set forth and contained. In the event of any such consolidation or merger with any other company the securities received in exchange or in replacement of those affected hereunder shall immediately be delivered to the Trustee (subject to the prior rights of the Trustees of the Underlying Bonds) and form part of the mortgaged premises to such an extent that the Bonds secured hereby shall always have as full and complete a lien upon or interest in such property or securities as it acquired by the mortgage and pledge hereunder. And the Trustee, before assenting to any such consolidation, merger or exchange of securities, shall obtain the certificate of a disinterested engineer, selected by it and paid by the Company, that the same is advantageous and in no way depreciates the value of the mortgaged premises, and the opinion of disinterested counsel, selected by it and paid by the Company, approving the plan as one which will give the Trustee for the benefit of the Bonds secured hereby as full and complete a lien upon or interest in the property or securities derived from the consolidation, merger or exchange as it acquired by the mortgage and pledge hereunder, and shall be entitled to demand of the Company such other proof as it deems advisable.

23. The security hereby constituted shall become enforceable, subject to the terms hereinafter contained, in each and every of the events following (herein referred to as events of default):

(a) If the Company makes default in payment of any interest due on the Bonds secured hereunder or any of them, or in any sinking fund payment, and any such default shall have continued for a period of sixty (60) days.

(b) If the Company makes default in payment of the principal of any Bond secured hereunder or of the premium thereon.

(c) If default shall be made in the payment of any interest or sinking fund payment in respect of, or of the principal of, any of the Underlying Bonds, or of the Mortgages securing said Bonds, and such default shall continue beyond the period of grace, if any, allowed under such Underlying Mortgages; or if the security under either of the Underlying Deeds of Trust or of the Underlying Mortgages shall in any way

become enforceable or the principal of any of the said Underlying Bonds and Mortgages shall become due and exigible prior to maturity according to the terms of such Deeds.

(d) If the Company shall become insolvent or subject to the provisions of the Winding-Up Act or of the Bankruptcy Act shall go into liquidation, either voluntary or under an order of a court of competent jurisdiction, or shall make a general assignment for the benefit of its creditors, or otherwise acknowledge its insolvency.

(e) If a Liquidator or Liquidators, or a Receiver or Receivers, Sequestrator or Sequestrators be appointed to the Company or an encumbrancer take possession of the mortgaged premises or any part of said premises or property which is, in the opinion of the Trustee, a substantial part thereof.

(f) If any process of execution be levied or enforced upon or against any of the chattels or property of the Company and remain unsatisfied for the space of two weeks as to movables or three weeks as to immovables; provided such distress or process is not in good faith disputed by the Company; and provided further that non-payment shall not in the judgment of the Trustee jeopardize the title to the premises, or the lien of this Indenture, or in any way impair the security intended to be pledged hereby; and provided further that if the Company shall desire to contest any claim under the provision hereof it shall also give security which in the absolute discretion of the Trustee shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim.

(g) If the Company shall neglect to carry out or observe any covenant to which it is bound hereunder and such default shall continue for a period of ninety (90) days after notice in writing to put an end to the same has been given to the Company by the Trustee, or by the holders of ten (10) per centum in principal amount of the Bonds at the time outstanding.

(h) If the Company shall fail to pay any taxes, rates, charges, rents payable on leasehold property, government dues or other charges of a like nature whether governmental or otherwise, assessed or payable in respect of any part of their respective properties, or if it fails to observe and perform any of the provisions and covenants in any lease, license, concession or agreement whereby any of the properties or rights of the Company may become liable to forfeiture, and such default shall continue either for a period of ninety (90) days or for such period as would at any time, if continued, render any such property or rights liable to forfeiture, whichever is the lesser period.

(i) If the Company shall, without the consent in writing of the Trustee, make or attempt to make any alteration in the provisions of its charter or letters which might in the opinion of the Trustee detrimentally affect the interests of the bondholders.

(j) If the Company without the consent in writing of the Trustee as herein provided, sells, encumbers or disposes of the specifically mortgaged premises or any part thereof otherwise than in the ordinary course of its business or as expressly subject to this mortgage or sells, encumbers or disposes of the whole or

the major part of the specifically mortgaged premises other than as herein expressly authorized.

24. Notwithstanding anything in clause 23 contained, a resolution or order for winding up the Company, with a view to its reconstruction or its consolidation, amalgamation or merger with another company by the transfer of its assets to such other company, shall not make the security enforceable if such last mentioned company shall, within ninety (90) days from the passing of the resolution or the date of the order, enter into a covenant with the Trustee, or otherwise become liable in law, to pay the principal moneys and the interest and other moneys intended to be secured by these presents and the Bonds, and to perform and observe all the obligations of the Company under these presents; and nothing contained in these presents, or any Bond hereby secured, shall prevent any consolidation, amalgamation or merger of the Company with any other company, or any conveyance or transfer of all of the mortgaged premises to such other company; in any case, however, subject to the condition that such consolidation, amalgamation or merger shall be upon such terms as to preserve and not to impair the lien, charge and security created by these presents and that the other requirements of this clause in respect thereof be complied with.

Every successor or assign acquiring the mortgaged premises or the major part of the same or the specifically mortgaged premises or the major part of the same, shall possess and may exercise each and every right and power of the Company hereunder; but every such successor and assign and every corporation with which the Company may be consolidated, amalgamated, or merged or to which the property and franchises of the Company may be conveyed or transferred as a whole or substantially as a whole, shall, as a condition of and concurrently with such consolidation, merger, conveyance or transfer, enter into an indenture with the Trustee, in form satisfactory to the Trustee, covenanting that all improvements and all property which may at any time be installed upon the specifically mortgaged premises, and all property incidental to the operation thereof, and all property thereafter acquired by such successor or assign and necessary to the full performance of any covenant herein contained, shall immediately be and become subject to the lien of these presents, as part of the specifically mortgaged premises, subject only to the liens of the then existing Underlying Deeds of Trust and Underlying Mortgages insofar as the same shall attach to additions thereto and granting and mortgaging the same to the Trustee, and covenanting also to pay the principal and interest of all Bonds secured hereby according to their tenor and to observe and perform each and every covenant, stipulation, promise and agreement hereof as fully and completely as if it had itself executed these presents as party of the first part hereto and had expressly agreed to observe and perform the same. No successor or assign of the Company shall have any right or power to issue any bonds hereunder unless, in and by its aforesaid indenture with the Trustee, it shall grant, mortgage, pledge and charge all property which it shall then own or thereafter acquire as further security for the Bonds in

the same manner as if it were the grantor herein, and so that all property thereafter acquired by it shall immediately on such acquisition be and become subject to the lien hereof as a part of the specifically mortgaged premises, subject only to the liens of the then existing Underlying Deeds of Trust and Underlying Mortgages insofar as the same shall attach thereto.

The Trustee, upon obtaining the certificate of a disinterested engineer or properly qualified person, selected by it and paid by the Company, that the proposed consolidation, amalgamation or merger of the Company with any other company is advantageous and in no way depreciates the value of the mortgaged premises, and the opinion of counsel selected by it and paid by the Company that the same is on such terms as to preserve and not to impair the lien, charge and security created by these presents and the rights and powers of the Trustee and the Bondholders hereunder, may consent thereto and join in such documents and do such acts as in its discretion may be thought advisable, and upon such consent being given such consolidation, amalgamation or merger or such conveyance or transfer may be carried out.

25. In the event of the security hereunder becoming enforceable except by default in payment of any principal moneys at maturity, the holders of not less than sixty-five (65) per centum in principal amount of all the Bonds which shall then be outstanding, shall have power by an instrument in writing or by the affirmative vote of such holders at a meeting duly convened and held as hereinafter provided, to instruct the Trustee to waive the default, and the Trustee shall thereupon waive the default upon such terms and conditions as such bondholders shall prescribe, provided always that no act or omission either of the Trustee or of the bondholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

26. In case the security hereby constituted shall become enforceable as hereinbefore provided, the Company shall and will pay forthwith to the Trustee on demand for the benefit of the holders of the Bonds secured hereby the principal amount of all Bonds then outstanding and interest then due thereon, together with such premium as shall be payable in respect of the Bonds or any particular issue or issues thereof, and such payment when made shall be deemed to have been made on such Bonds and coupons, and any moneys so received by the Trustee shall be applied in the same manner as if they were proceeds of a sale of the mortgaged premises made to enforce the security hereof; and the Trustee may in its discretion and shall upon request of the holders of twenty-five (25) per centum in principal amount of the Bonds outstanding declare the principal and premium of all Bonds outstanding hereunder to be, and the same shall, together with the premium, forthwith become immediately due and payable, anything therein or herein contained to the contrary notwithstanding.

27. In case the security hereby constituted shall have become enforceable as herein provided, and the Company shall have failed to pay to the Trustee, on demand, the principal, premium and interest due upon all the Bonds

outstanding, or the Trustee shall have declared the principal amount of the Bonds and the premium thereon to have become due and payable, the Trustee (subject to all prior rights of entry and sale granted to the Trustees for the Underlying Bonds or under the Underlying Mortgages) may, in its discretion, and, upon the request in writing of the holders of one-tenth in principal amount of the Bonds then outstanding, shall (subject to the provisions of Clause 25 hercof) by its officers, agents or attorneys enter into and upon and take possession of all or any part of the mortgaged premises, and each and every part thereof, and all property, privileges, revenues and franchises of the Company comprised therein or connected therewith, and thenceforth have, hold, possess and use the said properties, privileges, franchises and revenues, comprised in the mortgaged premises, and each and every part thereof, subject to the lien of these presents, with full power to carry on, manage and conduct the business operations of the Company including the power to borrow money or advance its own moneys for the purposes of the business (any moneys so borrowed or advanced and interest thereon to be a first charge upon the mortgaged premises in priority to the said Bonds), provided however that the Trustee shall not so borrow or advance any money except for the purpose of paying current operating expenses of the property so taken possession of by it and operating expenses incurred not more than sixty (60) days prior to such taking possession unless first authorized so to do by an extraordinary resolution adopted at a meeting of the bondholders as hereinafter provided, or by the written consent of a majority in interest of the holders of the Bonds outstanding, and to receive the rents, incomes, issues and profits of said property and business, and to pay therefrom all the expenses, charges and advances of the Trustee in carrying on the said business or otherwise, and all taxes, assessments, moneys borrowed and other charges against the property ranking in priority to the Bonds and coupons, or payment of which may be necessary to preserve the property, and to apply the remainder of the moneys so received first in the payment of the coupons due and unpaid in the order of their maturity, with interest at the same rate which such Bonds bear. The balance (if any) shall be held and applied in the same manner as if the same arose from a sale of the mortgaged premises made to enforce the security hereof. The foregoing is however subject to the condition that the Trustee shall, if such default (other than default in payment of principal at maturity) shall be waived or made good and all money borrowed or advanced by the Trustee under the foregoing provisions of this clause shall have been repaid with interest, restore the said property and business to the Company, and pay to it the remainder of the moneys so received after payment of all coupons and interest then due upon the Bonds, and in case of any such return of property to the Company, the security hereby constituted shall no longer be deemed to have become enforceable by reason of the default in the payment of the principal (except at maturity) of any of the Bonds secured hereunder or overdue interest or by any other occurrence hereunder whereby the right of entry became vested in said Trustee, but no subsequent default shall be in any way waived by any such return of property to the Company.

28. In case the security hereby constituted shall have become enforceable as herein provided and the Company shall have failed to pay to the Trustee, on demand, the principal, premium and interest then due upon all the Bonds outstanding, or the Trustee shall have declared the principal amount of the Bonds and the premium thereon to have become due and payable, the Trustee (subject to all prior rights of entry and sale granted to the Trustees for the Underlying Bonds or under the Underlying Mortgages) may in its discretion, either after such entry as aforesaid, or after other entry by its officers or agents, or without entry, sell and dispose of, and upon the request in writing of the holders of one-quarter of the total principal amount of the Bonds then outstanding (subject to the provisions of Clause 25 hereof) the said Trustee shall sell and dispose of all the mortgaged premises, either as a whole or in parcels, at public auction, and at such time and on such terms and conditions as the Trustee shall determine, having first given such notice of the time and place of such sale as it may think proper, which notice shall in any case include advertisements published at least once a week for four consecutive weeks in one or more daily newspapers published in the City of Montreal, Quebec, in the City of Toronto, Ontario, in the City of Chicago, Illinois, and in the City of New York, New York, U.S.A., and it shall be lawful for the Trustee to make such sale, either for cash or upon credit, upon such reasonable conditions as to upset or reserve bid or price, and as to terms of payment, as it may deem proper, and to receive the price or consideration for any such sale in whole or in part in Bonds secured hereunder, in such proportion, at such rate and for such amounts as is provided in clause 35 hereof; also to rescind or vary any contract of sale that may have been entered into, and resell with or under any of the powers conferred herein, and to adjourn any sale from time to time and hold the sale as adjourned without further notice, and to deliver to the purchaser or purchasers of the said property, or any part thereof, good and sufficient deed or deeds for the same, the Trustee being hereby constituted the irrevocable attorney of the Company for the purpose of making such sale and executing such deeds; and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Company and its assigns, and all other persons claiming the said property or any part or parcel thereof, by, from, through or under the Company or its assigns, and the proceeds of any sale shall be distributed in the manner hereinafter provided.

The Trustee, or any one or more of the bondholders may become purchasers at any sale of the mortgaged premises, whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.

29. The Company binds and obliges itself to yield up possession of the property of the Company and the conduct of its business to the Trustee on demand whenever the Trustee shall have a right of entry under the foregoing provisions, and agrees to put no obstacle in the way of, but to facilitate by all legal means, the actions of the Trustee hereunder, and not to interfere with the carrying out of the powers hereby granted to the Trustee, and in the event of the security becoming enforceable, as hereinbefore provided, the Company shall and hereby does consent

to the appointment of a receiver or receiver and manager, with all such powers as the Trustee is hereby vested with, if so required by the Trustee. The Company hereby binds itself in any of the said events of default to consent to any petition or application presented to the Court by the Trustee in order to effectuate the intent of this Deed, and the Company shall not, after receiving due notice from the said Trustee that it has taken possession of the said business in virtue of these presents, continue in the said business, unless with the express written consent and authority of the said Trustee, and shall forthwith by and through its officers and directors execute such documents and transfers as may be necessary to place the said Trustee in legal possession of the said property and business, and after receipt of such notice, all the powers, functions, rights and privileges of each and every of the directors and officers of the Company shall cease and determine with respect to the mortgaged premises, unless specially continued in writing by the said Trustee, or unless the property shall have been restored to the Company as hereinbefore in clause 27 provided.

30. Except as hereinafter provided, the moneys arising from any sale or realization of the whole or any part of the mortgaged premises, whether under any sale by the Trustee or by judicial process or otherwise, shall be applied in the first place to pay or reimburse to the Trustee the costs, charges, expenses, advances and compensation of the Trustee in or about the execution of its Trust or otherwise in relation to these presents with interest thereon as herein provided, and all taxes, assessments and other charges upon the property ranking in priority to the Bonds and coupons, and the residue of the said moneys shall be applied:

(1) In or towards payment to the holders of the Bonds *pari passu* in proportion to the amount due to them respectively, and without any preference or priority whatsoever, of all principal moneys due on such Bonds, whether such principal moneys shall or shall not be payable according to the tenor of said Bonds, and of all due and unpaid interest and coupons, with interest on all sums overdue at the same rate which such bonds bear, together with the premium payable thereon, provided that no payment shall be made upon any interest or coupon the time of payment of which has been extended whether by purchase or funding or otherwise, or upon any coupon not accompanied by the Bond to which it appertains, until the prior payment in full of all other interest and coupons and of the principal and premium of all Bonds; and

(2) The surplus, if any, of such moneys shall be paid to the Company or its assigns.

31. The Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least five (5) per centum of the principal amount of the outstanding Bonds, but it may retain the money so received by it and deposit the same in some bank or its banking department to its credit as Trustee hereunder at such rate of interest as is then current or invest the same, as hereinafter provided, until the moneys or the investments representing

the same, with the income derived therefrom, together with any other money for the time being under its control, shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner above set forth. The provisions of this clause shall, however, not apply to a final payment in distribution hereunder.

32. Not less than twenty-one (21) days' notice shall be given by the Trustee, in the manner set forth in Clause 12 hereof, of any payment to be made to the bondholders of moneys arising from any sale or realization of the whole or any part of the mortgaged premises.

Such notice shall state the time and place when and where such payment is to be made, and also the liability under the present security upon which it is to be applied.

After the day so fixed, unless payment shall have been duly demanded and have been refused, the bondholders will be entitled to interest on only the balance (if any) of the principal moneys due to them respectively on the Bonds, after deduction of the respective amounts payable in respect thereof on the day so fixed.

33. If the security hereby created shall become enforceable as herein provided, and the Company shall have failed to pay the Trustee, on demand, the principal and interest then due upon all the Bonds outstanding or the Trustee shall have declared the principal amount of the Bonds to have become due and payable, the Trustee may in its discretion, and upon the request in writing of the holders of one-fourth of the total principal amount of the Bonds then outstanding or, if default shall have been made only in respect of one or more issues of the Bonds, of fifty (50) per centum in principal amount of the Bonds of such issue (subject to the provisions of Clause 25 hereof) shall, by writing appoint a receiver or receiver and manager of the mortgaged premises or any part thereof and remove any receiver or receiver and manager so appointed and appoint another in his stead from time to time. The following provisions shall apply upon the appointment of any such receiver or receiver and manager:

(a) Such appointment may be made at any time after the security shall have become enforceable and either before or after the Trustee shall have entered into or taken possession of the mortgaged premises or any part thereof.

(b) Every such receiver or receiver and manager may, in the discretion of the Trustee, be vested with all or any of the powers and discretions of the Trustee.

(c) Every receiver or receiver and manager may carry on the business of the Company or any part thereof and may exercise all the powers conferred upon the Trustee under Clause 27 hereof.

(d) The Trustee may from time to time fix the remuneration of every such receiver or receiver and manager and direct the payment thereof out of the mortgaged premises or the proceeds thereof, but the appointment of any such receiver or receiver and manager shall be revoked upon the request of the holders of a majority of the principal amount of the Bonds.

(e) The Trustee may from time to time require any such receiver or receiver and manager to give security for the performance of his duties and may fix the nature and amount thereof, but shall not be bound to require such security.

(f) Every such receiver or receiver and manager may, with the consent in writing of the Trustee, and the consent of the bondholders where such consent is required under Clause 27 hereof, borrow money for the purposes of carrying on the business of the Company or for the maintenance of the mortgaged premises or any parts thereof or for any other purposes approved by the Trustee and the majority in interest of the bondholders, and the receiver or receiver and manager may issue certificates (herein called "Receiver's Certificates") for such sums as will in the opinion of the Trustee be sufficient for obtaining upon the security of the mortgaged premises the amounts from time to time required, and such certificates may be payable either to order or to bearer and may be payable at such time or times as to the Trustee may appear expedient, and shall bear interest as shall therein be declared, and the Trustee may sell, pledge or otherwise dispose of the same in such manner as to it may seem advisable, and may pay such commission on the sale thereof as to it may appear reasonable, and the amounts from time to time payable by virtue of such receiver's certificates shall form a first charge upon the mortgaged premises in priority to the Bonds; provided always that in the exercise of the powers and duties conferred upon the Trustee by this section the Trustee shall be bound to observe and act in accordance with the directions and instructions of the majority of the bondholders if and whenever any such directions or instructions shall be given.

(g) Every such receiver or receiver and manager shall so far as concerns responsibility for his acts be deemed the agent of the Company.

34. The Trustee shall have the right at the time it makes any payment hereunder to demand of the person claiming such payment the production of the actual Bond under which he claims such payment should be made, and on the Bond being so produced it shall make such payment and shall cause to be endorsed on the Bond a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with the production and endorsement upon a Bond as aforesaid, in any individual case, upon such indemnity being given as it shall deem sufficient.

35. Upon any sale hereunder of the mortgaged premises, or any part thereof, any purchaser may in paying purchase money turn in any of the Bonds or matured coupons hereby secured in place of cash to the amount which would upon distribution of the net proceeds of such sale be payable thereon, and in case the amount so payable thereon shall be less than the amount due thereon, such Bonds shall be returned after being properly stamped to show such partial payment.

36. No person dealing with the Trustee or its agents shall be concerned to enquire whether the security hereby constituted has become enforceable, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any money remains due upon the security of these presents

or the Bonds, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Trustee with the mortgaged premises, or to see to the application of any money paid to the Trustee.

37. Except as herein expressly provided, any moneys which, under the Trusts herein contained, may or ought to be invested, may be invested in the name of the Trustee in Bonds or other obligations of the Dominion of Canada or of the United States of America, or, with the approval of the Directors of the Company evidenced by a certified copy of a resolution of the Board, in the purchase on the market, or by private contract, of Bonds secured hereunder at not exceeding One hundred and ten (110) per centum of the par value thereof and accrued interest and pending such investment, such moneys may be placed on deposit in the name of the Trustee at such bank or banks, including the banking department of the Trustee, as it may think fit, such deposits to bear interest at not less than the current Bank rate and any such investments may, from time to time, be varied for others of a like nature.

38. The Company hereby irrevocably appoints the Trustee to be the attorney of the Company and in the name and on behalf of the Company to execute and do any deeds, transfers, conveyances, assignments, assurances and things which the Company ought to execute and do under the covenants herein contained, and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Trustee.

39. (1) At any time when the Company is not in default hereunder it may, without any release by the Trustee, sell or otherwise dispose of, free from the lien hereof, any machinery, equipment, tools or implements which may have become obsolete or unfit for use, upon replacing the same with, or substituting for the same, new machinery, of the same capacity, equipment, tools or implements of value at least equal to that of those disposed of, provided that the Company shall not under this provision sell or dispose of in any period of six (6) successive months, property exceeding in value ten thousand (10,000) dollars in any one transaction nor the sum of fifty thousand (50,000) dollars in the aggregate.

(2) Upon the request of the Company, evidenced by a resolution of its board of directors, a copy of which, certified under the corporate seal of the Company, shall be lodged with the Trustee, the Trustee, from time to time, but subject to the conditions and limitations hereinafter prescribed, and not otherwise, shall release from the lien and operation of this Trust Deed any part of the specifically mortgaged premises, provided that no part of the specifically mortgaged premises shall be released unless it shall appear by affidavit of at least three of the Directors, of whom the President or a Vice-President shall be one, and of the appraiser below mentioned, that the use thereof no longer is necessary or advantageous in the business of the Company or the operation of the specifically mortgaged premises. No such release shall be made unless the Company shall, for a fair and adequate consideration, have sold, or shall have contracted to sell, the property so to be

released, or shall have exchanged, or have contracted to exchange, the property so to be released for other property, and any such release shall be subject to the following conditions:

(a) Before any such property shall be released, such property shall be appraised by some appraiser appointed by the board of directors of the Company and approved by the Trustee. In appraising any timber limits, leases or renewable licenses or any water power rights, leases or licenses it shall be assumed that they will be renewed from time to time until no longer valuable.

(b) In case of any sale of such property, the sale price or the appraised value thereof, whichever shall be greater, shall be paid to the Trustee, unless it shall have been paid to the Trustee of one of the Underlying Deeds of Trust, in accordance with the requirements thereof.

(c) In case of an exchange, an amount of additional property of value, at least equal to the appraised value of the property given in exchange, shall be acquired by the Company and made subject to the lien of this Trust Deed as a part of the specifically mortgaged premises, provided, however, that such additional property may be subject to any prior liens to which the property given in exchange was subject, of which the certificate of counsel (who may be of counsel to the Company) shall be sufficient evidence to the Trustee; or, if the amount of additional property so made subject to the lien of this Trust Deed shall be less than the appraised value of the property so given in exchange, the difference shall be paid to the Trustee in money unless it shall have been paid to the Trustee of one of the Underlying Deeds of Trust, in accordance with the requirements thereof. The Trustee shall be furnished with evidence of the kind prescribed in Clause 3 of the character and amount of such additional property and that the same is subjected to the lien hereof as herein required. Such additional property may be but need not be the property received in exchange.

40. All moneys received by the Trustee upon releases of the specifically mortgaged premises hereunder shall be held by it as security for the Bonds secured hereby, subject to the right of the Company to receive from the Trustee and to apply any such moneys, or the income thereof, in reimbursement of expenditures made or in discharge of indebtedness incurred by the Company since the date hereof for the purchase or acquisition of permanent improvements, extensions or additions to or on the specifically mortgaged premises, but in all such cases, the Company shall only be entitled to receive and apply such moneys as herein provided upon receipt by the Trustee of:—

(a) A copy of a resolution directing the use of such moneys, certified by the Secretary to have been passed by the Directors of the Company;

(b) A certificate of the expenditures made or indebtedness incurred by the Company for any of such purposes, signed by the President or a Vice-President and by the Secretary or Treasurer of the Company under its corporate seal;

(c) A certificate by an appraiser appointed by the Company and approved by the Trustee stating that the improvements, extensions or additions, at the cost

or value to the Company, whichever is less, are worth not less than the amount of such proceeds sought to be withdrawn;

(d) A certificate by counsel (who may be counsel to the Company) appointed by the Company and approved by the Trustee, that the improvements, extensions or additions, as the case may be, have become part of the specifically mortgaged premises subject to no prior lien except that of the Underlying Bonds and Mortgages.

41. All moneys received by the Trustee from insurance shall be held by it as security for the Bonds secured hereby, subject to the right of the Company upon its written requisition authorized by a resolution of the Directors to receive from the Trustee and to apply any such moneys or the income thereof held by the Trustee in reimbursement of expenditures made or in discharge of indebtedness incurred by the Company after the happening of the event in respect of which such moneys shall have been received by the Trustee for repairing, building or constructing, rebuilding, reconstructing or improving or in purchasing and placing upon the specifically mortgaged premises any buildings, machinery, fixtures or other improvements, but before making any demand upon the Trustee for the payment of any such moneys, the Company shall furnish the Trustee with certificates of the expenditures made or indebtedness incurred by it for any of the purposes aforesaid, signed by the President or a Vice-President and by the Secretary or Treasurer of the Company, under its corporate seal, and such certificates shall be full warrant of authority and protection to the Trustee for action on the faith thereof, and shall further satisfy the Trustee that no mortgages, liens or encumbrances have been registered against the specifically mortgaged premises which by operation of law or otherwise will rank in priority to the mortgage and charge hereunder except the Underlying Mortgages.

42. No application of moneys received by the Trustee hereunder from insurance or upon releases of the specifically mortgaged premises shall be made at any time when the Company is in default hereunder, or when the Trustee is in possession of the mortgaged premises under the right of entry herein provided, without an extraordinary resolution of the bondholders. In no case shall the receipt of any such moneys be deemed to be a payment on account of the Bonds secured hereunder, nor shall the mortgage hereby created be lessened, novated or in any other way affected by reason of any such receipt, any law, usage or custom to the contrary notwithstanding, nor shall any Bonds be issued hereunder on account of any property acquired with such moneys.

43. In the event of the taking or condemnation of any part of the mortgaged premises by public authority, or of any sale or conveyance by the Company in lieu of such taking or condemnation and in reasonable anticipation thereof where taking or condemnation proceedings might lawfully be exercised to vest such property in the grantee for the same purposes, or if the Dominion or any provincial government or any municipality or other public authority shall at any time exercise any right which it may have to purchase any part of the specifically mortgaged

property, the Trustee may release the property so taken or sold upon the deposit with the Trustee of a sum equal to (a) the net proceeds of any such taking or condemnation or exercise of right of purchase or (b) in a case of sale in anticipation of such condemnation, the net proceeds of such sale or the fair value of the property to be released as appraised by an appraiser appointed by the Board of Directors of the Company and approved by the Trustee, whichever is greater. The Trustee shall hold such sum upon the same terms and conditions as provided in Clause 40 hereof in respect of moneys received by the Trustee upon releases of the specifically mortgaged premises. The Trustee shall be fully protected in giving such release upon being furnished with an opinion of counsel selected by the Company and approved by the Trustee (who may be of counsel to the Company) to the effect that such property has been lawfully taken or condemned or sold as aforesaid and, in case of any such sale other than to the Dominion, Province, municipality or other public authority pursuant to any such right, upon being also furnished with a resolution of the Board of Directors of the Company certifying that in the opinion of such Board of Directors, such sale was in lieu of and in reasonable anticipation of taking or condemnation and was for the interests of the Company.

44. The Company hereby covenants and agrees:—

(a) That it lawfully owns and is lawfully possessed of the real and immovable properties, buildings, machinery and plant described in the Schedules hereto and the Company will warrant and defend the title thereto and every part thereof, as well as of any and all real and immovable properties, buildings, machinery and plant hereafter acquired whether or not in respect thereof the Company shall have obtained the certification and delivery of any Bonds under this Trust Deed, to the Trustee, its successors in the Trust and their assigns, and for the benefit of the holders for the time being of the Bonds issued hereunder, against the lawful claims and demands of all persons whomsoever.

(b) That it will diligently maintain, use and operate or will cause to be maintained, used and operated the mortgaged premises and will carry on and conduct its business in a proper and efficient manner so as to preserve and protect the mortgaged premises and the earnings, incomes, rents, issues and profits thereof, and will keep proper books of account and make therein true and faithful entries of all its dealings and transactions in relation to its business and will file with the Trustee within the first quarter of each fiscal year the report of an auditor selected by the Company and approved by the Trustee—who may be a public accountant regularly employed for the purpose by the Company unless the Trustee or the holders of fifteen (15) per centum of the outstanding Bonds in writing request, not later than January First of such year, that he be disinterested—upon the affairs of the Company during the twelve months ending December 31st in such year and their condition at the end thereof, showing in reasonable detail their earnings and expenses and assets and liabilities and in particular the amounts expended for maintenance and repairs and for renewals and replacements and the amounts

set aside for depreciation, and at all reasonable times will furnish the Trustee or its duly authorized agent or attorney such information relating to its business as the Trustee may reasonably require. The books of account of the Company shall at all reasonable times be open for inspection by the Trustee or such agent or attorney as the Trustee shall from time to time by instrument in writing for that purpose appoint.

(c) That it will well, duly and punctually pay or cause to be paid to every holder of any Bond issued and secured hereunder, the principal and interest acerued thereon, and premium, if any, at the dates and places, in the moneys and in the manner mentioned herein and in such Bonds and in the coupons thereto belonging, without deduction from the principal or interest of Bonds of the initial issue for any tax or taxes which the Company may be required to pay thereon or retain therefrom under any present or future law of the Dominion of Canada or of any province, city, county or municipality therein and of the United States of America (but not of any state, city, county or municipality therein) the Company hereby assuming the payment of all such taxes, save and except any income tax which may be levied or imposed by the Dominion of Canada, or any province, city, county or municipality therein, in respect of the interest upon the Bonds, and save and except any income tax in excess of four (4) per centum imposed by the said United States of America in respect of the interest accruing upon the Bonds.

The coupons when paid shall be forthwith cancelled, and no purchase of any coupon, nor any advance or loan thereon, nor any redemption thereof, by or on behalf of the Company or any other person or corporation, shall keep such coupon alive or preserve its lien upon any part of the mortgaged premises.

(d) That it will well and truly pay and discharge or cause to be paid and discharged upon presentation thereof for payment as and when the same become payable all the outstanding Underlying Bonds and Mortgages, and will punctually pay or cause to be paid, or upon demand of the Trustee will provide to its satisfaction for the payment of the interest on all such outstanding Underlying Bonds and Mortgages as and when such interest shall become due and payable, and will observe and perform or cause to be observed and performed all covenants, conditions and provisions of the Underlying Deeds of Trust, until all such outstanding Underlying Bonds and Mortgages and interest shall have been paid.

(e) That it will pay or cause to be paid all taxes, rates, levies, or assessments, ordinary or extraordinary, Government fees or dues, levied, assessed or imposed upon it or upon the mortgaged premises, or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, levies, assessments, fees or dues is in good faith contested by the Company, and that it will exhibit to the Trustee, when required, the receipts and vouchers establishing such payment; and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged premises, and all covenants, terms and conditions upon or under which any of the mortgaged premises are held.

(f) That it will register these presents and all other instruments without delay at all offices where the registration of record thereof may, in the judgment of the Trustee, be necessary or of advantage to the security hereby created or intended so to be, and that it will deliver or exhibit to the Trustee on demand, certificates establishing such registration, and the same from time to time renew, and that it will fulfil all the requirements of the laws of the Dominion, provincial or municipal governments of Canada, or of any of their departments, and of any other competent authority.

(g) That it will fully and effectually maintain and keep maintained the security hereby created as a valid and effective security at all times during the continuance of the said Bonds, or any of them, and that it will not permit or suffer any judgment for the enforcement of any builder's, contractor's, workman's or other lien or privilege upon or in respect of any of the specifically mortgaged premises, to remain unsatisfied for a period of thirty (30) days after the date of such judgment, provided that the non-payment of any such judgment for the enforcement of any such lien, privilege or charge shall not be deemed to be a breach of this covenant if the Company shall desire to contest the same and shall give security to the satisfaction of the Trustee for the due payment of the amount claimed in respect thereof in case it shall be held to be a valid lien, privilege or charge.

(h) That it will at all times maintain its corporate existence and duly procure all renewals and extensions thereof, and, subject to all the provisions herein contained, will diligently preserve all the rights, powers, privileges, franchises and goodwill by it owned.

(i) That it will duly and promptly procure or cause to be procured renewals of all leases and licenses under which timber limits and licenses are held by it, and which are renewable either by the terms thereof or by law, and will pay all charges and fees in connection with such renewals, so long as the same are of commercial value, and will likewise duly and promptly procure renewals of all leases and licenses under which any water power is developed, and will pay all charges and fees in connection with such renewals, so long as any of the Bonds are outstanding.

(j) That it will not, without the previous consent in writing of the Trustee, remove or destroy or permit to be removed or destroyed any of the buildings, machinery or structures whatsoever owned by it or the plant, machinery or fixtures attached or appertaining thereto unless such removal or destruction be with a view immediately to replace the same by other property of a more useful or convenient character and of at least equal value, and the Trustee may, if it think proper, previous to giving its consent to such removal or destruction, accept as satisfactory proof as to the advisability thereof a resolution of the Directors that such removal or destruction is, in their opinion, to the advantage of the mortgaged premises or such other proof as may in its opinion be sufficient; that it will at all times repair and keep in repair and good order and condition all said buildings, erections, machinery and plant used in or in connection with its business up to a modern

standard of usage, and whenever necessary to maintain the same consistently with the best practice of other similar Companies, renew and replace all and any of the same which may become worn, dilapidated, unserviceable, obsolete, inconvenient or destroyed, even by a fortuitous event, fire or other cause, or may otherwise require renewal or replacement, and at all reasonable times allow the Trustee or its representatives access to the mortgaged premises in order to view the state and condition the same are in.

The Company while not in default may, without the consent of the Trustee, remove machinery from one part of the mortgaged premises to another, but not so as to subject the same to any additional prior lien, and may discontinue the operation of any particular part thereof if it may consider unprofitable or disadvantageous to continue in operation.

(k) That it will at all times keep the buildings, structures, machinery, fixtures and appurtenances, owned by it which are of an insurable nature and of a character usually insured by companies similarly situated, other than standing timber, insured against loss or damage by fire or other casualties to such an amount and in such manner as is usual in the case of companies working undertakings similar to the undertakings for the time being of the Company, in one or more insurance companies, mutual or otherwise, doing business in Canada or elsewhere as the Directors may select, and duly pay all premiums and other sums payable for that purpose, and produce to the Trustee for inspection when and if required every such policy of insurance and the receipt for the last premium payable thereunder. The insurance moneys in respect of properties comprised in the specifically mortgaged premises shall be made payable to the Trustee as its interest may appear. Any insurance effected by the Company in accordance with the requirements of the Underlying Deeds of Trust and made payable to the Trustee as its interest may appear shall be deemed *pro tanto* compliance with this covenant. The Trustee may accept as conclusive evidence of the amount of the insurance to be carried, a resolution of the Board of Directors of the Company together with a certificate signed and verified by its President or Vice-President and the local manager or other officer in immediate charge of the property.

All moneys constituting such reserves shall be dealt with in the manner provided in Clause 37 hereof. All interest credited on moneys held in such insurance reserve or collected on the bonds in which such reserve is invested shall be paid over to the Company.

In the event of any loss or damage against which said insurance reserves are applicable, the same, to the extent of such loss or damage, shall be held, applied and disposed of by the Trustee in the same manner as is herein provided with respect to insurance moneys. The amount of such loss or damage and the extent to which such insurance reserves are so applicable shall be determined by the Company, subject to the approval of the Trustee. Such approval may be based upon the certificate of a person believed by the Trustee to be competent, who may be an executive officer of the Company.

(l) That so long as any of the Bonds remain outstanding, the Company will not create or permit the creation of any specific mortgage, pledge or charge or any floating charge on its own assets or those of any other company of which it now holds or may hereafter hold the majority of its capital stock, ranking in priority to or *pari passu* with the mortgage, pledge and charge hereunder, except to the extent and for the purpose set forth in the floating charge under Clause 14 hereof.

(m) That so long as any of the Bonds remain outstanding, the Company will not expend any of its moneys in the purchase of additional fixed assets other than those now contracted for or now under construction nor will it pay dividends on any of its capital stock when its net liquid or current assets are below Four million (4,000,000) dollars nor when such expenditures or payment or both will result in reducing its net liquid assets to less than Four million (4,000,000) dollars. Liabilities for completing present extensions to the Company's plant shall not be regarded as current liabilities.

"Net Liquid Assets" means the surplus of current assets over current liabilities. "Liquid or Current Assets" are good accounts receivable, bills and notes receivable and similar or other instruments received from and in connection with the sale of the products of the business of the Company, cash on hand and in bank, bonds and other securities of the Dominion of Canada, and of the United States of America, logs, lumber, pulp, paper, and other manufactured products, and all supplies necessary for the operation of the plant and the manufacture of the Company's products, and "Liquid or Current Liabilities" are all liabilities of the Company except liability on capital stock, reserves, and mortgage and funded indebtedness.

(n) That, so long as any of the Bonds remain outstanding the Company will not issue any further Bonds under the provisions of the Deeds of Trust and Mortgage securing the presently outstanding Underlying Bonds of the Company and that it will so covenant with the Trustees under the said Deeds of Trust.

(o) That it will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all moneys which shall have been paid by the Trustee for premiums of insurance, repairs, renewals, taxes, legal expenses or charges, or any other expenditures whatever which the Trustee may reasonably incur in and about the execution of the Trust hereby created, with interest at six (6) per centum per annum from the date of expenditure until actual repayment, and such moneys and the interest thereon, including the Trustee's remuneration, shall upon default by the Company hereunder become a charge or lien upon the mortgaged premises in priority to any of the said Bonds or coupons and shall be payable out of any funds coming into the possession of the Trustee or its successors in the Trust hereunder. The said remuneration shall continue payable until the Trusts hereof shall be finally wound up and whether or not a liquidator or trustee in bankruptcy, or a receiver or receivers, or receiver

and manager, shall have been appointed or the Trusts of these presents shall be in course of administration by or under the direction of the Court.

(p) That it will do, observe and perform all matters and things, necessary or expedient to be done, observed or performed in virtue of any law of the Dominion of Canada, or any Province thereof, for the purpose of creating, performing or maintaining the Trust herein referred to, as security for the said Bonds, and will do, observe and perform all the obligations hereby imposed upon it, and that it will give to the Trustee or to any person designated by it in writing, all information concerning the business of the Company, and the manner in which it is carried on, which may be requested by the Trustee in the administration of this Trust, and will supply copies of its Balance Sheet to the Trustee whenever called upon to do so.

(q) That it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances in law as the Trustee shall reasonably require for the better accomplishing and effectuating of the intentions of this Trust Deed.

(r) That it will from time to time punctually observe and perform all of its obligations and will pay and discharge all amounts payable under or by virtue of any lease of property held by it at any time subject to the lien hereof and will not suffer or permit any default for which any such lease might be terminated, so that the interest of the Company in such leasehold estate may at all times be preserved unimpaired as security for the Bonds hereby secured, provided, however, that nothing contained in this section shall require the Company to make any such payments or to observe any such obligations so long as it shall in good faith contest its liability therefor.

(s) That the Company punctually will perform and comply with all the conditions, covenants, terms, stipulations and provisions of these presents, and of any supplemental indentures which may be executed between the Company and the Trustee. The Company may execute and file with the Trustee, and the Trustee may join in, indentures supplemental hereto, to close this indenture against, or further to restrict the issue of additional Bonds hereunder, and add hereto limitations and conditions in addition to those herein contained, whether applicable in respect of all Bonds issued and to be issued hereunder or in respect of one or more issues thereof or otherwise. No restriction or obligation imposed hereby or by any supplemental indenture upon the Company may be waived or modified by such supplemental indentures or otherwise, except when authorized by an extraordinary resolution of the bondholders and then only in the manner and to the extent herein expressly permitted in respect of extraordinary resolutions.

In case and whenever default shall be made in paying any sum stipulated to be paid in any lease subject to the lien of this indenture, the Trustee without affecting any of its rights thereunder from time to time in its discretion may pay any sum so in default, and thereupon shall have and forthwith may assert a lien for such advance with interest at the rate of six (6) per centum per annum upon the mortgaged premises and the proceeds thereof, which lien shall be entitled to priority in rank and in payment over the Bonds issued hereunder.

45. If the Company shall fail to perform any of the covenants contained in this Trust Deed, the Trustee may notify the bondholders of such failure on the part of the Company or it may itself perform any of said covenants capable of being performed by it or make advances to perform the same in its behalf, but shall be under no obligation so to do or to notify the bondholders; and all sums so expended or advanced shall be at once repayable by the Company, and shall bear interest at six (6) per centum per annum until paid, and shall be secured hereby, having the benefit of the lien hereby created in priority to the indebtedness evidenced by said Bonds and coupons; but no such performance or advance shall be deemed to relieve the Company from any default hereunder.

46. No holder of any Bond or coupon hereby secured shall have any right to institute any suit, action or proceeding for the purpose of bringing the mortgaged premises to sale, or for the execution of any trust or power hereunder, or for the appointment of a liquidator, receiver or sequestrator, or to have the Company wound up, or for any other remedy hereunder, unless such holder shall, previously, have given to the Trustee written notice of any existing default on the part of the Company and such default shall have continued for such period of time, if any, as is necessary to render the security hereby constituted enforceable; nor unless the holders of at least twenty-five (25) per centum in principal amount of the Bonds hereby secured and then outstanding, or, if default shall have been made only in respect of one or more issues of the Bonds, fifty (50) per centum in principal amount of the Bonds of such issue then outstanding, shall have made written request to the Trustee and shall have afforded to it reasonable opportunities either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its own name for such purpose; nor unless also such bondholder or bondholders shall have tendered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; nor unless also the Trustee shall have failed to act within a reasonable time after such notification, request and tender of indemnity; and such notification, request and tender of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to any action or cause of action for the appointment of a liquidator, receiver or sequestrator, or for any other remedy hereunder, by or on behalf of the holder or holders of such Bonds or coupons or any of them; it being understood and intended that no one or more holders of Bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereby created by his or their action, or to enforce any right hereunder except in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and for the equal benefit of all holders of such outstanding Bonds and coupons.

All rights of action under this Trust Deed may be enforced by the Trustee without the possession of any of the Bonds or coupons hereby secured or the production thereof on the trial or other proceedings relative thereto.

The Trustee shall have power to institute and to maintain such actions, suits and proceedings as it may deem necessary or expedient to prevent any impairment of the security hereunder by any acts of the Company, or of others, in violation of this Trust Deed or unlawful, or as the Trustee may deem necessary or expedient to preserve and to protect its interests and the security and interests of the holders of the indebtedness hereby secured, in respect of the mortgaged premises, or in respect of the income, earnings, rents, issues and profits thereof, or otherwise, including power to institute and to maintain actions, suits or proceedings to restrain the enforcement of, or compliance with, or observance of any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, or observance of, such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the holders of the indebtedness hereby secured or of the Trustee.

In case any action, suit or other proceeding shall have been brought by the Trustee or by any bondholder or bondholders after failure of the Trustee to act, the bondholders may by extraordinary resolution passed in the manner in which such a resolution purporting to exercise the powers conferred by Clause 48 hereof is required to be passed, direct the Trustee or the bondholder or bondholders bringing any such action, suit or proceeding to waive the default in respect of which any such action, suit or other proceeding shall have been brought, upon payment of the costs, charges and expenses incurred by the Trustee or the bondholder or bondholders as the case may be in connection therewith, and to stay or discontinue or otherwise deal with any such action, suit or other proceeding, and such direction shall be binding upon the Trustee and such bondholder or bondholders and shall be observed by them.

47. No recourse under or upon any obligation, covenant or agreement contained in this Trust Deed, or in any Bond or coupon hereby secured, or under any judgment obtained against the Company, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independently of this Trust Deed, shall be had against any shareholder, officer or director of the Company, or of any successor corporation, either directly or through the Company, or otherwise, for the payment for or to the Company or any receiver, liquidator or sequestrator thereof, or for or to the holder of any Bond or coupon issued or secured hereunder or otherwise, of any sum that may be due and unpaid by the Company upon any such Bond or coupon, and any and all personal liability of every name and nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such shareholder, officer or director, to respond by reason of the non-payment of any shares of the capital stock of the Company or any act of omission or commission on his part or otherwise, for the payment for or to the Company or any receiver, liquidator or sequestrator thereof, or for or to the holder of any Bond or coupon issued or secured hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds and coupons hereby secured or any of them, is

hereby expressly waived and released as a condition of and consideration for the execution of this Trust Deed and the issue of such Bonds and coupons.

48. Meetings of the bondholders shall be convened, held and conducted in the manner following:

(1) The Trustee may at any time, and shall from time to time on being served with notice signed by the Company or by bondholders representing at least one-fifth of the principal amount of the Bonds outstanding, convene a meeting of the bondholders. In the event of the Trustee failing to call and hold a meeting after being thereunto required by the Company or by the bondholders as above set forth, the Company or the requisite number of bondholders may themselves call and hold such meeting. Bonds held by the Company or by any subsidiary, parent or affiliated company shall not be deemed to be outstanding Bonds for any purpose of this clause, provided, however, that Bonds pledged or charged by the Company as security for loans or other indebtedness shall, for all such purposes, be deemed to be outstanding Bonds and the pledgees thereof or holders of any lien or charge thereon be entitled to sign any notice, attend all meetings of bondholders, and vote thereat in respect of the Bonds so pledged or charged by the Company unless such pledgees or holders are not entitled under the terms of the pledge or charge freely to exercise in their discretion, uncontrolled by the Company, the right to vote such Bonds. Every such meeting shall be held at the City of Montreal, or at such other place as the Trustee may determine.

(2) At least twenty days' previous notice of such meeting shall be given to the bondholders and to the Company, and such notice shall state the time when and the place where said meeting is to be held, and shall specify the general nature of the business to be transacted thereat, and in general terms the subject matter of any extraordinary resolution to be submitted thereat. The notice shall be given in the manner set forth in Clause 12 hereof.

(3) At any meeting of the bondholders a quorum shall consist of bondholders present in person or by proxy and representing fifty-one (51) per centum of the principal amount of the Bonds outstanding.

(4) Some person, who shall be a bondholder or proxy, shall be nominated by the Trustee to be chairman of the meeting, and if no person is so nominated, or if the person so nominated is not present within fifteen minutes from the time fixed for the holding of the meeting, the bondholders present or represented shall choose one of their number to be chairman.

(5) If a quorum of the bondholders shall not be present within half an hour from the time fixed for holding any meeting, the meeting may be adjourned from time to time (but not more than three times). Fifteen (15) days' notice of the date to which such meeting is from time to time adjourned shall be given in the manner set forth in Clause 12 hereof, and if at the third adjournment a quorum be not present the bondholders present or represented by proxies shall constitute a quorum for the transaction of business other than the exercise of the powers under sub-clause (11) of this Clause 48, for which extraordinary resolutions are required.

(6) Every question submitted to a meeting, except an extraordinary resolution, shall be decided in the first place by a majority of the votes given on a show of hands. The chairman shall have a vote in addition to the vote to which he may be entitled as a bondholder.

(7) On every extraordinary resolution, and on any other question submitted to a meeting when requested, after a vote by show of hands, by bondholders representing at least ten thousand (10,000) dollars of the par value of the Bonds, a poll shall be taken.

(8) At any meeting of the bondholders, each bondholder shall, on a poll, be entitled to one vote for every one hundred (100) dollars par value of Bonds of which he shall be the holder. Votes may be given in person or by proxy, and a proxy need not be a bondholder.

(9) The Trustee may (for the purpose of enabling the bondholders to be present and vote at any meeting without producing their Bonds, and of enabling them to be present and vote at any such meeting by proxy) make and from time to time vary such regulations as it shall think fit for the deposit of the Bonds with any bank or trust company, and for the issue to the persons depositing the same of certificates by such bank or trust company entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting in the same way as if the persons so present and voting either personally or by proxy were the actual bearers of the Bonds in respect of which such certificate shall have been issued, and any regulations so made shall if approved by the Trustee be binding and effective, and votes given in accordance therewith shall be valid and shall be counted. Holders of registered Bonds may, by an instrument in writing under their hands, appoint any person as their proxy to vote at any meeting for them. In such proxy shall be stated the numbers of the Bonds regarding which they are entitled to vote. Save as aforesaid the only persons who shall be recognized at any meeting as the holders of any Bonds, or as entitled to vote or be present at the meeting in respect thereof, shall be the persons who produce unregistered Bonds at the meeting and the registered bondholders.

(10) The Company and the Trustee, by their respective officers and directors, and the legal advisers of the Company and the Trustee, may attend any meeting of the bondholders but shall have no vote.

(11) In addition to all powers hereinbefore given, a meeting of the bondholders shall have the following powers exercisable from time to time, by extraordinary resolution only, and then subject to the provisions for notice and objection hereinafter contained:

(a) Power to sanction any change or alteration of any provision of this Trust Deed and any modification or compromise of the rights of the bondholders against the Company or against its property, whether such rights shall arise under the provisions of this Trust Deed or otherwise.

(b) Power to require the Trustee, on having entered into or taken possession of the mortgaged premises or any part thereof, to restore the same to the Company upon such conditions as the bondholders may direct.

(e) Power to sanction any scheme for the reconstruction or reorganization of the Company or for the consolidation, amalgamation or merger of the Company with any other company or for the selling or leasing of the undertaking of the Company or any part thereof, except a reconstruction, reorganization, consolidation, amalgamation or merger of the Company under the provisions of Clause 24 hereof.

(d) Power to authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the mortgaged premises any shares (whether preference, ordinary, deferred or founders), bonds, debentures, mortgages, debenture stock or any other securities of any company formed or to be formed.

(e) Power to sanction the exchange of the Bonds for or the conversion of the Bonds into bonds, shares or other securities of the Company or any company formed or to be formed.

(f) Power to authorize the distribution in specie of any shares or securities.

(g) Power to require the Trustee to exercise or refrain from exercising any of the powers conferred upon it by this Trust Deed and to direct the manner of the exercise of any such powers or to waive any default on the part of the Company other than the non-payment of any principal moneys at maturity, upon such terms as may be decided on.

(h) Power to authorize the Trustee to bid at any sale of the mortgaged premises, or any part thereof, and to tender in payment or part payment on account of any property so purchased, all or any part of the Bonds then outstanding, and to give to the Company a valid discharge in respect of the amount of the Bonds so tendered, and to hold any property so purchased and any part of the Bonds then outstanding and not so tendered, in trust for all the holders of the then outstanding Bonds *pro rata* in proportion to the amounts held by them respectively before the making of such tender.

(i) Power to remove the Trustee from office and to appoint a new Trustee or Trustees.

(12) The expression "extraordinary resolution" when used in this Trust Deed means a resolution passed at a meeting of the bondholders duly convened and held in accordance with the provisions herein contained, at which a clear majority in value of the whole of the bondholders is present in person or by proxy, and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands, or if a poll is duly demanded by a majority consisting of not less than three-fourths in value of the votes given on such poll.

Provided that unless bondholders holding at least seventy-five (75) per cent of the par value of the Bonds then outstanding shall have affirmatively voted in favour of any such extraordinary resolution purporting to exercise the powers conferred by sub-clauses (a), (c), (d) or (e) of Clause 12 of this Trust Deed, notice of the passing thereof shall be given to all the bondholders in the manner provided in Clause 12 of this Trust Deed. Such resolution shall not be effective or acted

upon if within one month from the giving of such notice Bondholders not present or represented at said meeting and holding more than twenty-five (25) per cent of the said outstanding Bonds shall have notified the Trustee in writing that they object thereto, but such resolution shall nevertheless be effective and acted upon if within one month from the giving of such notice other bondholders not present or represented at such meeting have notified the Trustee in writing that they approve of such resolution, so that the total bondholders approving of the same, including those present or represented at the meeting, and those notifying the Trustee of their approval as aforesaid shall aggregate at least seventy-five (75) per cent of the par value of the Bonds then outstanding.

An extraordinary resolution passed at a meeting of the bondholders held in accordance with this Clause 48 shall, subject to the requirements herein contained be binding upon all the bondholders, whether present or absent, and each and every bondholder.

(13) At any meeting of the bondholders, in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried or carried by any particular majority or lost shall be conclusive evidence thereof.

(14) Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Company, and any such minutes as aforesaid, if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, or by the Chairman of the next succeeding meeting of the bondholders, shall be *prima facie* evidence of the matters therein stated, and until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings had, to have been duly passed and had.

49. (1) The Company covenants with the Trustee for the benefit of the Trustee and of the holders for the time being of the Bonds that, so long as any of the Bonds remain outstanding, it will pay to the Trustee on the First day of June in each year beginning with the year 1922 (except when the same falls on Sunday or on a holiday and then on the next day) as a sinking fund for the Bonds a sum of money equal to ten (10) per centum of the net profits of the Company for the preceding year ended December 31st available for the payment of dividends as determined by the auditors of the Company, but such payment shall not be less than Three hundred thousand (300,000) dollars in any one year so long as the principal amount of the Bonds outstanding does not exceed Four million (4,000,000) dollars, and when the principal amount of the Bonds outstanding exceeds said sum, the minimum payment of Three hundred thousand (300,000) dollars shall be increased by an amount proportionate to the amount by which the principal amount of the Bonds outstanding on the 31st day of December exceeds Four million (4,000,000) dollars.

(2) If any Bonds shall be issued after September 1 in any calendar year, after the Sinking Fund becomes operative only half the principal amount thereof shall be considered in the calculation of the next following sinking fund instalment.

(3) The Company shall, however, have the right to purchase Bonds on the market or by private contract at such price or prices not exceeding One hundred and ten (110) per centum of their par value and accrued interest as may be determined by the Directors at the time of each issue and expressed in the Bonds of such issue, and to deliver the Bonds so purchased with all unmatured coupons thereto attached to the Trustee for the purposes of the sinking fund aforesaid which Bonds shall be taken at their cost to the Company (not exceeding One hundred and ten (110) per centum of their par value) plus accrued interest to the date of delivery to the Trustee.

The Bonds of the initial issue of Four million (4,000,000) dollars may be purchased by the Company at prices not greater than One hundred and ten (110) per centum of their par value and accrued interest.

(4) If the Company does not so deliver Bonds to the Trustee in payment of the amounts hereinabove mentioned as and when the same are due and payable, then the moneys paid to the Trustee by the Company for the purpose of the sinking fund for Bonds shall be employed by the Trustee in the purchase of Bonds in the manner hereinafter mentioned at prices not exceeding One hundred and ten (110) per centum of their par value and accrued interest. On or before the Fifth day of June, 1922, and in each year thereafter, the Trustee shall offer to purchase so many of the Bonds as shall be sufficient as nearly as possible to exhaust the moneys at the credit of the sinking fund on the previous First day of June. The Trustee shall make such offer by advertisement in "*The Gazette*" or some other newspaper published in the City of Montreal approved by the Trustee, "*The Mail and Empire*" or some other newspaper published in the City of Toronto approved by the Trustee, "*The Chicago Tribune*" or some other newspaper published in the City of Chicago approved by the Trustee, and in "*The New York Times*" or some other newspaper published in the City of New York approved by the Trustee, twice a week for two successive weeks, the first publication of said advertisements to be made on or before the said Fifth day of June, and in such advertisements the Trustee shall state approximately the amount of Bonds to be purchased by it, shall request the bondholders to submit offerings of Bonds to the Trustee on or before the Fifteenth day of July following at not exceeding the said price of One hundred and ten (110) per centum of their par value and accrued interest, and shall state that the lowest prices at which such offerings are made will be accepted in the order of their receipt by the Trustee. Immediately after the Fifteenth day of July, the Trustee shall purchase so many of the Bonds so offered as will be sufficient to exhaust the moneys at the credit of the sinking fund as aforesaid at the lowest price or prices contained in the offers received from the bondholders in the order of their receipt by the Trustee. If, after accepting the lowest prices in the order of their receipt, the moneys at the credit of the sinking

fund shall not have been exhausted and offers to sell more Bonds at the next lowest price shall have been received by the Trustee by the same mail or at the same time than are required to exhaust the balance of the moneys at the credit of the sinking fund, then the Trustee shall by lot draw from the Bonds so offered the Bonds necessary to exhaust such balance. In the event of the offers received from the bondholders to sell their Bonds at prices not exceeding One hundred and ten (110) per centum of their par value and accrued interest being insufficient to exhaust the moneys at the credit of the sinking fund, the Trustee shall have the right, on or before the First day of August following, to employ the balance of the sinking fund moneys remaining in its hands in the purchase of Bonds on the market or by private contract at prices not exceeding One hundred and ten (110) per centum of their par value and accrued interest. In the event of the Trustee being unable to purchase sufficient of the Bonds to exhaust the sinking fund moneys by the 1st day of August in each year the amount remaining in its hands shall be by it invested in bonds or other obligations of the Dominion or of the United States of America as the Directors of the Company may in writing direct. The income arising from the sinking fund shall be added to the sinking fund and form part of it. All investments made by the Trustee with the Sinking Fund moneys may, with the written consent of the Directors of the Company, be from time to time sold on the public market and the proceeds of any such sale or sales, less brokers' commission and the fees of the Trustee, be applied by the Trustee in the purchase of the Bonds at not exceeding the price hereinabove mentioned.

(5) If and when all the Bonds shall have been redeemed for the sinking fund or otherwise retired and cancelled the obligation hereunder to make any further payments to the sinking fund shall cease and determine.

50. Except as hereinafter provided, the Company shall have the right, on any interest day after the date of issue, to redeem Bonds subject to redemption at the time being outstanding either in whole or in part, at the price and in the manner hereinafter set forth, provided it shall give notice of any such intention to redeem to the bondholders by publishing in one or more daily newspapers of general circulation published in each of the Cities of Montreal, Toronto, Chicago and New York, once each week, for six successive weeks, the first publication to be not less than sixty (60) days before the date fixed for redemption, and by mailing not less than sixty (60) days before said date to the last registered address of each registered bondholder whose Bond has been called and of each bondholder who has registered his address and whose Bond has been called, a notice giving particulars of the Bonds to be redeemed and the date and place of such redemption. If less than all the Bonds are called for redemption, the Company shall have the right to call all the Bonds of any one or more issues for redemption. If less than all the Bonds of any particular issue are called for redemption, the Bonds of such issue to be called shall be selected by lot by the Trustee.

Bonds of the initial issue of Four million (4,000,000) dollars and Bonds issued for working capital under the provisions of sub-clause (3) of Clause 3 hereof shall not be redeemable but Bonds of other issues may be redeemable at such price and at such places as may be determined by the Directors of the Company at the time of the issue thereof and expressed in the Bonds of each such issue.

All Bonds purchased by the Company and tendered and delivered to the Trustee under Clause 49 hereof and all Bonds purchased by the Trustee under said Clause 49 and all Bonds redeemed under this Clause 50 shall forthwith be cancelled, and the Company shall not be at liberty to issue nor the Trustee to certify any Bonds in substitution therefor, and the aggregate amount of the Bonds for the time being authorized to be issued hereunder shall be reduced accordingly.

In case any bondholder, any of whose Bonds are to be redeemed under any provision of this Trust Deed, shall neglect or refuse to deliver up his Bonds and coupons at the time and place fixed for the redemption thereof, under the provisions herein contained, or shall neglect or refuse to accept payment of the redemption moneys payable in respect of such Bonds, and the Company shall duly have provided funds for the payment of the amount due, upon redemption thereof, the moneys payable to such bondholder shall be set aside in the name of the Trustee, and the Trustee shall deposit the moneys set aside in its banking department at such rate of interest as may be allowed by it on similar deposits, in trust for such bondholder, and such setting aside shall be deemed for all purposes of these presents to be a payment to such bondholder, and interest on such Bonds shall cease to accrue as from the date the said Bonds become payable as aforesaid.

51. In the event of the principal of the Bonds becoming due and payable before maturity, whether by default or otherwise, the holders of each issue thereof shall be entitled to be paid such premium, if any, in addition to principal and accrued interest as shall have been determined by the Directors at the time each issue was made and expressed in the Bonds of such issue.

52. All sums which may at any time become payable, whether at maturity, on a declaration, on redemption, or otherwise, on account of any Bond or coupon or any interest or premium thereon, shall be payable at the option of the holder in any of the places at which the principal and interest of such Bond or coupon is payable and in the coin or currency in which the same is, according to the terms thereof, payable in such place.

53. By way of supplement to the provisions of any Act of any of the Provinces of Canada for the time being relating to trustees, it is expressly declared as follows, that is to say:

(1) That the Trustee may in relation to these presents act on the opinion or advice of or information obtained from any lawyer, valuer, surveyor, broker, auctioneer, or other expert, whether obtained by the Trustee or by the Company or otherwise, and shall not be responsible for any loss occasioned by acting or not acting thereon, and shall be entitled to take legal or other advice and employ such assistance as may be necessary to the proper discharge of its duties, and to pay

proper and reasonable compensation for all such legal and other advice or assistance as aforesaid.

(2) That any such advice or information may be sent or obtained by letter, telegram or cablegram, and that the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram or cablegram, although the same shall contain some error or shall not be authentic.

(3) That whenever, in the administration of the trusts of this Trust Deed the Trustee shall deem it necessary or desirable that any matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), may be deemed to be conclusively proved and established by a certificate or instrument signed by the President or a Vice-President and the Secretary or Assistant Secretary of the Company and delivered to the Trustee, and such certificate or instrument shall be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Trust Deed on the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(4) That the Trustee shall only be accountable for reasonable diligence in the management of the trusts hereof, and shall not be liable for any act or default on the part of co-trustees, if any, or for having permitted any co-trustees to receive and retain any moneys payable to the Trustee hereunder, but the Trustee hereof shall only be liable for its own wilful acts and defaults.

(5) That the Trustee is to be at liberty to place all deeds or other documents of title to any of the mortgaged premises, in any safe or receptacle selected by the Trustee, or with any banker or banking company or lawyer or firm of good repute or other depository in any part of the world, and the Trustee shall not be responsible for any loss incurred in connection with any such deposit, and the Trustee may pay out of the mortgaged premises all sums required to be paid on account of or in respect of any such deposit.

(6) That the Trustee shall not be responsible for any misconduct on the part of any attorney, banker, receiver, lawyer, agent or other person appointed by it hereunder, or bound to supervise the proceedings of any such appointee.

(7) That the Trustee shall not be bound to give notice to any person or persons of the execution hereof, or of the lien and charge of these presents, or to take any action to enforce the security hereof, or in any way to interfere with the conduct of the Company's business, unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same.

(8) That the Trustee, except as herein otherwise provided, shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it

shall be in no wise responsible for any loss, costs, damages or inconveniences that may result from the exercise or non-exercise thereof.

(9) That the Trustee shall not be responsible for the moneys subscribed by applicants for or subscribers of the Bonds, or be bound to see to the application thereof.

(10) That the Trustee may buy, sell, lend upon and deal in the Bonds, either with the Company or otherwise and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profit made thereby.

(11) That no condition contained in this Trust Deed shall be construed as obliging the Trustee to effect or maintain the insurance against fire or other casualty, or to notify the bondholders of failure to insure, nor shall it be responsible for any loss which might happen by reason of want of insurance.

(12) That the Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the mortgaged premises, or for or by reason of the statements of facts or recitals in this Trust Deed or in the Bonds contained, or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Company only, and it shall not be the duty of the Trustee, and nothing herein contained shall in any wise cast any obligation upon the Trustee, to see to the registration or filing or renewal of this Trust Deed or any other deed or writing by way of mortgage, charge or bill of sale upon the mortgaged premises or any part thereof, or upon any other property of the Company, or to procure any local mortgage or charge or other additional instrument of further assurance, or to do any other act for the continuance of the lien or charge hereof, or for giving notice of the existence of such lien or charge, or for extending or supplementing the same, or to insure or keep insured, against loss or damage by fire or otherwise, the mortgaged premises or any part thereof or the properties of any other company controlled by the Company, or to keep itself informed or advised as to the payment by the Company of any taxes or assessments or premiums of insurance or other payments which the Company or any company controlled by it should make or to require such payments to be made, it being hereby agreed and declared that as to all the matters and things in this sub-clause referred to the duty and responsibility shall rest upon the Company and not upon the Trustee, and the failure of the Company to discharge such duty and responsibility shall not in any way render the Trustee liable or cast upon it any duty or responsibility for breach of which it would be liable.

54. The Trustee shall have the right in its discretion to proceed in its name as Trustee hereunder in the enforcement of the security hereby constituted by any remedy provided by law, whether by legal proceedings or otherwise, but it shall not be bound to do or take any act or action in virtue of the powers conferred on it by these presents unless and until it shall have been required so to do under the terms of this Trust Deed, and the Trustee may, before taking such action, require the bondholders (at whose instance it is so required) to deposit with the Trustee

the Bonds so held by them, for which Bonds the Trustee shall issue receipts. The obligation of the Trustee to commence or continue any act, action or proceedings for the purpose of realizing upon the mortgaged premises or to take any other action hereunder for the protection of the bondholders shall be conditional upon the bondholders furnishing, when required in writing by the Trustee, sufficient funds to commence or continue such act, action or proceedings, and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage by reason thereof.

55. The Trustee may, whenever it thinks it expedient in the interest of the bondholders, delegate to any company or person or fluctuating body of persons, whether being a Trustee hereof or not, all or any of the trusts, powers and discretions vested in it by these presents, and any such delegation may be made upon such terms and conditions and subject to such regulations, including power to sub-delegate, as the Trustee may in the interests of the bondholders think fit, and the Trustee shall not be in any wise responsible for any loss incurred by any misconduct or default on the part of any such company or persons as it shall from time to time have designated for the purpose; provided, however, that the Trustee shall upon the request and at the cost and expense of the Company take or permit the Company to take all such actions by legal proceedings or otherwise as may be open to it against any such company or persons.

56. The Trustee may at any time concur with the Company in making any modification in these presents, or the Schedules hereof, or in the form of the Bonds or coupons, which in the opinion of the Trustee it may be expedient to make with a view to obtaining a quotation of the Bonds on the Montreal or any other Stock Exchange or Bourse in Canada or elsewhere, provided that the Trustee shall be of opinion that such modifications will not be prejudicial to the interests of the bondholders.

57. Upon proofs being given to the reasonable satisfaction of the Trustee that all the Bonds have been paid off and satisfied or otherwise duly and effectually provided for, and upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to these presents, and of the remuneration of the Trustee, and all interest thereon, the Trustee shall, at the request of the Company and at its cost and expense, release and reconvey to the Company the mortgaged premises, freed and discharged from the trusts and provisions herein contained.

58. The Trustee, and any Trustee hereunder appointed, may at any time resign office by giving three months' notice in writing to the Company and to the bondholders in the manner provided in Clause 12 hereof. In place of any Trustee resigning, being removed, being dissolved, becoming bankrupt or going into liquidation, or otherwise becoming incapable of acting hereunder, the Board of Directors of the Company shall appoint a successor Trustee which shall be a responsible Trust Company duly authorized to do business in the Provinces of Ontario and Quebec. The provisions of this clause are subject to the powers

of the bondholders by extraordinary resolution at a meeting to remove the Trustees and to appoint new Trustees as provided in Clause 48. Any Company into which the Trustee may be merged or with which it may be consolidated or any Company resulting from any merger or consolidation to which the Trustee shall be a party shall without further act become the successor of said Trustee.

59. The Trustee shall not be required to give security for its conduct or administration, and shall not be responsible for the acts, omissions, defaults, errors, fraud, failure or misconduct of any agents whom it may reasonably employ in the exercise of the powers conferred upon it hereunder, nor for loss occasioned by its own acts, omissions or defaults, unless such acts, omissions or defaults constitute a breach of trust knowingly and intentionally committed by said Trustee; provided, however, that the Trustee shall upon the request and at the cost and expense of the Company take or permit the Company to take all such actions by legal proceedings or otherwise as may be open to it in respect of any loss sustained by any act of commission or omission of any such agent.

60. Any notice required to be given hereunder to the bondholders may be given in the manner provided herein and in the Conditions to be endorsed upon the Bonds.

61. The Trustee and its successors and assigns in the trust shall hold the mortgaged premises, and the specific mortgage and pledge and the floating mortgage and charge and all the rights, privileges and benefits conferred hereby and by law, and by any deed or deeds supplemental hereto, in trust for the various persons, firms or corporations who shall or may at any time become or be purchasers or holders or owners of the said Bonds or of any of them, subject to all the terms and conditions herein set forth.

62. The Trustee accepts the Trusts in this Deed contained and agrees to perform the same on the terms herein set forth, but subject to the express condition that it shall be responsible only for moneys coming into its hands under any provision hereof, and shall not be responsible for the application of any money received by the Trustees of the Underlying Bonds from partial releases of the specifically mortgaged premises or from insurance or from any sale of the mortgaged premises in whole or in part, or otherwise, and the Company covenants that it will make no request to the Trustees of the Underlying Bonds for any release of the specifically mortgaged premises or for the application of any moneys so held by said Trustees respectively until the provisions of this Trust Deed relating thereto have been complied with.

The following are the First, Second and Third Schedules herein referred to.

THE FIRST SCHEDULE

FORM OF BOND

DOMINION OF CANADA PROVINCE OF ONTARIO

No. A. \$.

ABITIBI POWER & PAPER COMPANY, LIMITED

Incorporated under The Companies Act (Canada)

Authorized capital 10,000 7% Cumulative Preferred Shares, of \$100.00 each par value and 250,000 Common Shares of no nominal or par value.

CONSOLIDATED MORTGAGE SINKING FUND GOLD BOND

This Bond is one of the initial issue of an authorized issue of Consolidated Mortgage Sinking Fund Gold Bonds which may consist of several issues, bear different rates of interest not more than eight (8) per centum per annum, and vary as to the terms upon which they may be redeemed, the medium and place of payment, and otherwise as specified in the Trust Deed hereinafter mentioned. The entire issue is limited to a total amount not exceeding in the aggregate Fourteen million (14,000,000) dollars principal amount, of which Bonds of the initial issue are limited to Four million (4,000,000) dollars principal amount; Bonds of Seven million eight hundred and fifteen thousand five hundred (7,815,500) dollars principal amount are reserved to provide for refunding at or prior to maturity at par and accrued interest the Underlying Bonds of the Company referred to in said Deed of Trust and Mortgage; and Bonds of Two million one hundred and eighty-four thousand five hundred (2,184,500) dollars principal amount, being the balance of the Bonds authorized to be issued, may be issued from time to time for the purpose of providing the Company with additional working capital, subject to the conditions set forth in the Deed of Trust and Mortgage hereinafter mentioned. All Bonds of the entire issue rank *pari passu* and are secured by Deed of Trust and Mortgage executed by the Company in favour of Montreal Trust Company, Trustee, and dated the 15th day of March, 1921, subject and subordinate to the underlying Bonds above mentioned. Said Bonds are issued under the authority of the statutes and of the laws relating to the Company and of By-Law XVI enacted by the Board of Directors on the 18th day of February, 1914, and duly

ratified and confirmed by the shareholders at a meeting held on the same day and of a resolution of the Board of Directors passed the 14th day of March, 1921.

ABITIBI POWER & PAPER COMPANY, LIMITED (herein called "the Company") for value received promises to pay to the bearer hereof, or, if registered, then to the registered holder hereof, on the 15th day of March, 1931, or on such earlier date as the principal moneys become payable in accordance with the conditions endorsed hereon and with the provisions of the above mentioned Trust Deed, on presentation and surrender of this Bond

Dollars in gold coin of the United States of America of or equal to the present standard of weight and fineness, at the office of the First National Bank, in the City of Chicago, Illinois, or, at the holder's option at the office of the Chase National Bank, in the City of New York, N.Y., and to pay interest thereon from March 15th, 1921, at the said places in like gold coin, at the rate of eight (8) per centum per annum, semi-annually, on the Fifteenth days of March and September in each year, in accordance with and upon presentation and surrender of the respective annexed coupons as they severally become due. The Company has covenanted in the said Deed of Trust and Mortgage to establish a sinking fund for the purchase by the Trustee of the Bonds at not exceeding One hundred and ten (110) per centum of the par value thereof and accrued interest, in the manner set forth in said Deed of Trust and Mortgage, by the payment to the Trustee on the First day of June in each year, beginning in the year 1922, of a sum equal to ten (10) per centum of the net profits of the Company for the preceding year ending December 31st available for the payment of dividends as determined by the Company's auditors, but such payment shall not be less than Three hundred thousand (300,000) dollars in any year with a *pro rata* increase of such minimum payment for Bonds issued in excess of Four million (4,000,000) dollars. The Company may, for the purposes of the sinking fund, purchase Bonds on the public market or by private sale at prices not exceeding One hundred and ten (110) per centum of their par value and accrued interest and deliver Bonds so purchased to the Trustee at their cost to the Company plus accrued interest to date of delivery.

In the event of the Bonds becoming due and payable before maturity, whether by default or otherwise, this Bond will be redeemed at the price of One hundred and ten (110) per centum of its par value and accrued interest.

This Bond is subject to the Conditions endorsed hereon and to the terms of the above mentioned Deed of Trust, to which reference is hereby made for a statement of the property mortgaged, the nature and extent of the security, the rights of the holders of the Bonds issued and to be issued under the same, and the terms and conditions upon which the said Bonds are issued or to be issued and secured.

The principal of this Bond and interest thereon are payable without deduction for any tax or taxes which the Company may be required to pay thereon or retain therefrom under any present or future law of the Dominion of Canada or of any province, city, county or municipality therein, or of the United States of America

(but not of any state, city, county or municipality therein), the Company assuming the payment of all such taxes, save and except any income tax which may be levied or imposed by the Dominion of Canada or any province or any city, county, or municipality therein, in respect of interest accruing upon the Bonds and save and except any income tax in excess of four (4) per centum levied or imposed by the United States of America in respect of the interest accruing upon the Bonds.

This Bond shall not become obligatory until it shall have been certified by the Trustee for the time being of the above mentioned Deed of Trust and Mortgage.

IN WITNESS WHEREOF Abitibi Power & Paper Company, Limited, has caused its seal to be hereto affixed and this Bond to be signed by its President or Vice-President and countersigned by its Secretary or Assistant Secretary under date of this Fifteenth day of March, 1921.

ABITIBI POWER & PAPER COMPANY, LIMITED,

By.....
President.

Countersigned.....
Secretary.

FORM OF TRUSTEE'S CERTIFICATE

This Bond is one of the Consolidated Mortgage Sinking Fund Gold Bonds issued under the Deed of Trust and Mortgage within mentioned.

MONTREAL TRUST COMPANY,

Trustee.

By.....

FORM OF INTEREST COUPON

\$.....

ABITIBI POWER & PAPER COMPANY, LIMITED, will pay to the bearer on the Fifteenth day of 19 , the sum of in gold coin of the United States of America, at the office of the First National Bank in the City of Chicago, Ill., or, at the holder's option, at the Chase National Bank, in the City of New York, N.Y., being one-half ($\frac{1}{2}$) year's interest on its Consolidated Mortgage Sinking Fund Gold Bond No. A- , dated March 15, 1921, free from any taxes imposed thereon by the Dominion of Canada or any Province or City, County or Municipality therein except income tax and free from any Federal taxes imposed thereon by the United States of America, except income tax in excess of 4%, unless said Bond shall have been previously redeemed.

Coupon No.....

.....
Treasurer.

FORM OF REGISTRATION

(No writing hereon except by the Registrar)

Date of Registry	In whose name Registered	Signature

(To be Endorsed on the Bonds)

THE CONDITIONS WITHIN REFERRED TO

1. If the principal moneys due upon this Bond shall become payable by being called for redemption or otherwise before the stated maturity hereof, the person presenting this Bond for payment must surrender therewith the coupons representing interest subsequent to the date fixed for redemption or payment, the Company nevertheless paying the interest for the fraction of the current half year, if the date fixed for payment be not an interest due date.

2. Delivery by the bearer or registered holder to the Company of this Bond and delivery by the bearer to the Company of each of the said interest coupons shall be a good discharge for the principal moneys and interest therein respectively specified.

3. The principal moneys hereby secured due upon this Bond and premium thereon shall immediately become payable in the event of the security constituted by the within mentioned Deed of Trust becoming enforceable and the Trustee thereof determining or becoming bound to enforce the same.

4. Registration books will be kept by and at the office of the Trustee in the City of Montreal and in such other place or places and by such other Registrar or Registrars as may be prescribed by the Company and approved by the Trustee,

in which the holder or holders of Bonds may register the same as to principal only. The names and addresses of the holders of unregistered Bonds may also be entered in books kept for that purpose by and at the office of the Trustee in the City of Montreal and at such other place or places and by such other Registrar or Registrars as the Company with the approval of the Trustee may designate. The said register and books, at all reasonable times, will be open for inspection by the holders hereof.

5. Except when registered this Bond is transferable by delivery, but the Trustee or other Registrar will at any time, upon the request of the bearer, whilst this Bond is unregistered, register him or his nominee in the register above mentioned as the holder of this Bond, and endorse hereon a note of such registration, and such Trustee or other Registrar will also at any time upon the request of the registered holder or his executors or administrators, cancel the registration and the note thereof endorsed hereon, whereupon this Bond will again become transferable by delivery. A fee not exceeding one dollar shall be paid by the bearer or registered holder to such Trustee or other Registrar upon every such registration or cancellation. Neither the Company, the Trustee nor the Registrar shall be bound to see to the execution of any trust affecting the ownership of any Bond, nor be affected by notice of any equity that may be subsisting in respect thereof.

6. Every transfer of this Bond when registered must be in writing under the hand of the registered holder or his attorney duly authorized or his executors or administrators. The transfer and such evidence of identity or title as the Trustee or other Registrar may reasonably require, must be delivered at the office of the Trustee or other Registrar where such Bond is registered and thereupon the transfer will be registered and a note of such registration will be endorsed hereon. The Trustee or other Registrar shall be entitled to retain the transfer.

7. The registered holder for the time being of this Bond when registered, and the bearer hereof for the time being when not registered, and the bearer of each of the interest coupons aforesaid shall be entitled to the principal and interest secured by such instruments respectively free from any equities between the Company and the original or any intermediate holder hereof and all persons may act accordingly, and the receipt of such registered holder or bearer, as the case may be, for such principal money and interest shall be a good discharge to the Company, which shall not be bound to enquire into the title of such registered holder or bearer, save as ordered by some Court of competent jurisdiction, or as required by statute, or to take notice of any trust or equities affecting the ownership of such instruments or moneys.

8. In the case of joint registered holders, the principal money hereby secured shall be deemed to be owing to them upon a joint account and may be paid to the holder whose name appears first on the register, and whose receipt therefor shall constitute a valid discharge to the Trustee and the Company.

9. Except as otherwise expressly provided in the within mentioned Trust Deed, the Company may give any notice to the holder of this Bond by advertising

the same in "*The Mail and Empire*," or such other newspaper published in the City of Toronto, Ontario, as the Trustee may approve, and "*The Gazette*," or such other newspaper published in the City of Montreal, Quebec, as the Trustee may approve, and "*The Chicago Tribune*," or such other newspaper published in the City of Chicago, as the Trustee may approve, and "*The New York Times*," or such other newspaper published in the City of New York as the Trustee may approve twice a week in each of two (2) successive weeks, and if this Bond is registered, or if the holder has registered his address, by sending such notice through the post in a registered prepaid letter addressed to such person at his registered address.

10. This Bond, except when registered, is to be treated as negotiable, and all persons are invited by the Company and the owners for the time being hereof to act accordingly.

THE SECOND SCHEDULE.

Description of freehold lands charged in the within instrument by Abitibi Power
& Paper Company, Limited

ALL AND SINGULAR those certain parcels or tracts of land situate, lying and being in the District of Temiskaming, in the Province of Ontario, and entered in the office of Land Titles at the Town of Haileybury, in the said District of Temiskaming, as parcels numbered in the register for Nipissing North Division, as set opposite each description hereunder, and more particularly described as follows:—

	Parcel Numbers
North Half Lot Ten, Concession One, Township of Teefy, containing 135 acres more or less.	6633 Nip. N.D.
South Half Lot Two, Concession Two, Township of Teefy, containing 159½ acres more or less.	6385 "
South Half Lot Six, Concession Two, Township of Teefy, containing 163 acres more or less.	5193 "
North Half Lot Ten, Concession Three, Township of Teefy, containing 160 acres more or less.	6708 "
North Part Broken Lot Eleven, Concession Three, Township of Teefy, containing 160 acres more or less.	2285 "
Lot Twelve, Concession Three, Township of Teefy, containing 320 acres more or less.	6684 "
North Half Lot Ten, Concession Four, Township of Teefy, containing 165 acres more or less.	6684 "
Broken Lot Eleven, Concession Four, Township of Teefy, containing 242 acres more or less.	6684 "
Broken Lot Twelve, Concession Four, Township of Teefy, containing 285 acres more or less.	6684 "
North Half Lot Ten, Concession Five, Township of Teefy, containing 162 acres more or less.	4067 "
South Half Lot Ten, Concession Five, Township of Teefy, containing 162 acres more or less.	6684 "
North Part Broken Lot Eleven, Concession Five, Township of Teefy, containing 160 acres more or less.	6582 "
South Part Broken Lot Eleven, Concession Five, Township of Teefy, containing 129 acres more or less.	6684 "
Broken Lot Twelve, Concession Five, Township of Teefy, containing 323 acres more or less.	6684 "
South Part Broken Lot Two, Concession Four, Township of Knox, containing 160 acres more or less.	554 "

South Part Broken Lot Three, Concession Four, Township of Knox, containing 4571 Nip. N D.
160 acres more or less.

South Half Lot Eight, Concession Four, Township of Knox, containing 160 3574 "
acres more or less.

South Half Lot Six, Concession Six, Township of Knox, containing 160½ 4502 "
acres more or less.

North Half Lot Ten, Concession One, Township of Coulson, containing 157½ 7481 "
acres more or less.

North Half Lot Six, Concession Three, Township of Coulson, containing 160½ 342 "
acres more or less.

North Half Lot Ten, Concession Three, Township of Coulson, containing 345 "
161½ acres more or less.

North Half Lot Ten, Concession Five, Township of Wilkie, containing 166½ 72 "
acres more or less.

North Half Lot Two, Concession One, Township of Rickard, containing 165½ 3317 "
acres more or less.

North Half Lot Three, Concession One, Township of Rickard, containing 6663 "
165½ acres more or less.

North Half Lot Seven, Concession One, Township of Rickard, containing 166½ 3947 "
acres more or less.

South Half Lot Three, Concession Two, Township of Rickard, containing 160 6681 "
acres more or less.

South Half Lot Six, Concession Two, Township of Rickard, containing 160 6680 "
acres more or less.

South Half Lot Seven, Concession Two, Township of Rickard, containing 160 6682 "
acres more or less.

North Half Lot Two, Concession Three, Township of Rickard, containing 3626 "
159½ acres more or less.

North Half Lot Four, Concession Three, Township of Rickard, containing 160 7537 "
acres more or less.

North Half Lot Eight, Concession Three, Township of Rickard, containing 6696 "
160 acres more or less.

South Half Lot Four, Concession Four, Township of Rickard, containing 160 6568 "
acres more or less.

South Half Lot Eight, Concession Four, Township of Rickard, containing 160 4016 "
acres more or less.

South Half Lot Nine, Concession Four, Township of Rickard, containing 160 6607 "
acres more or less.

North Half Lot Two, Concession Five, Township of Rickard, containing 160 1617 "
acres more or less.

South Half Lot Three, Concession Five, Township of Rickard, containing 160 6577 "
acres more or less.

South Half Lot Six, Concession Five, Township of Rickard, containing 170⁶⁶⁴² Nip. N.D. acres more or less.

South Half Lot Three, Concession Six, Township of Rickard, containing 160 $\frac{1}{2}$ ⁶⁵⁶⁹ " acres more or less.

South Half Lot Six, Concession Six, Township of Rickard, containing 160⁶⁶⁹⁷ " acres more or less.

South Half Lot Eleven, Concession Six, Township of Rickard, containing 160⁶⁶⁰⁹ " acres more or less.

Lot One, Concession Three, Township of Calvert, containing 320 acres more⁶⁶⁷⁷ " or less.

North Half Lot One, Concession Four, Township of Calvert, containing 160⁶⁶⁷⁷ " acres more or less.

Broken Lot One, Concession Five, Township of Calvert, containing 293⁶⁶⁷⁷ " acres more or less.

SAVING AND EXCEPTING out of the above described freehold lands the following parts thereof which have been heretofore sold by the Company, to wit:—

ALL AND SINGULAR those certain parcels or tracts of land and premises situate, lying and being in the Townships of Teefty and Calvert, District of Temiskaming, Province of Ontario, and being composed of Parts of Lot 1, Concessions 4 and 5 in the said Township of Calvert, Parts of Lots 11 and 12, Concessions 4 and 5 in the said Township of Teefty, and Part of the Right of Way of the Temiskaming and Northern Ontario Railway in the said Township of Teefty, containing in all a total of two hundred and seventy-one and forty-five one-hundredths acres be the same more or less, as shewn with borders tinted pink on Plan of Survey made by Routley & Summers, Ontario Land Surveyors, dated Haileybury, Ontario, April 5th, 1915, the said parcels being more particularly described as follows:

Firstly the following portions of parcels 6684 and 6677 Nip. N.D. transferred by instrument 3904 Temiskaming, dated June 24th, 1915, more particularly described as follows:—

Commencing at a point which may be described as follows:—

Commencing at the Southeasterly angle of said Lot 1, in the Fifth Concession of the Township of Calvert, thence West along the Southerly limit of the said Lot 1, Three hundred and eight-tenths feet; thence North no degrees and nine minutes West astronomic thirty-two and four-tenths feet to the place of beginning;

Thence South no degrees and nine minutes East astronomic twelve hundred and fifty-five and four-tenths feet;

Thence North eighty-nine degrees and fifty-nine minutes East astronomic ten hundred and ninety-eight and three-tenths feet to the Easterly limit of the Right of Way of the Temiskaming and Northern Ontario Railway;

Thence North forty-eight degrees and thirty-one minutes East astronomic three hundred and ninety-seven and one-half feet along the Easterly limit of the Right of Way of the Temiskaming and Northern Ontario Railway;

Thence East astronomic and parallel with the line between Concessions 4 and 5 of the said Township of Teefy to the Westerly limit of the lands covered by the Crown Lease of Water Powers of parts of Lots 11 and 12 granted on the 17th day of September, 1912, to Shirley Ogilvie and another;

Thence Northerly along the Westerly limit of the said water power leasehold land to the Northwesternly corner thereof;

Thence Easterly along the Northerly limit of the said water power leasehold lands to the Westerly bank of the Abitibi River;

Thence Northerly and Westerly following the meanderings of the said shore line of the Abitibi River to a point therein, said point being North no degrees and one minute East astronomic from the point of commencement and distant twenty-seven hundred and eighty-three feet therefrom;

Thence South no degrees and one minute West astronomic twenty-seven hundred and eighty-three feet to the point of commencement;

Containing by admeasurement two hundred and seventy-one and forty-five one-hundredths acres be the same more or less.

And Secondly, the following portions of parcels 6684 and 6677 Nip. N.D. transferred by instrument 9412, dated October 15th, 1917, more particularly described as follows:—

Part of Lot One (1), Concession Four (4), Township of Calvert, described as follows:—COMMENCING at the Southwest angle of Block F, registered Plan M-10; thence North eighty-nine degrees fifty-nine seconds East a distance of three hundred and twenty-one feet, along the Southerly limit of said Block F to where the same intersects the East limit of the said Lot One (1) thence due South along the said East limit of Lot One (1) a distance of two hundred and eighty-eight (288) feet five (5) inches; thence South forty-eight degrees thirty-one minutes West a distance of eighty and four-tenths feet; thence North forty-one degrees twenty-nine minutes West a distance of three hundred and ninety-three and nine-tenths feet; thence North no degrees nine minutes West a distance of forty-six and fifty-seven-hundredths feet, more or less, to the place of beginning, containing by admeasurement one and sixty-three-hundredths (1.63) acres, be the same more or less.

Part of Lot Twelve (12), Concession Four (4), Township of Teefy, described as follows:—COMMENCING at the point in the Southerly limit of said Block F, on the said Plan M-10, where the same intersects the West limit of said Lot Twelve (12); thence North eighty-nine degrees fifty-nine minutes East a distance of three hundred and twenty-six and three-tenths feet along the Southerly limit of said Block F to the Southeast angle thereof; thence South forty-eight degrees thirty-one minutes West a distance of four hundred and thirty-five and six-tenths feet, more or less, to a point in the West limit of the said Lot Twelve; thence due North along the said West limit of the said Lot Twelve (12) a distance of two hundred and eighty-eight and five-tenths feet, more or less, to the place of beginning containing by admeasurement one and six-hundredths acres, be the same more or less.

THE THIRD SCHEDULE

FIRST PART

Description of leasehold lands charged in the within instrument by Abitibi Power & Paper Company, Limited

ALL AND SINGULAR these certain parcels or tracts of land and land covered with water situate, lying and being at Iroquois Falls and Couchiching Falls on the Abitibi River in the District of Temiskaming in the Province of Ontario and entered in the office of Land Titles at the Town of Haileybury in the said District of Temiskaming as parcel 234 leasehold Nipissing Northern Division and parcel 8 leasehold Temiskaming, and more particularly described as follows:—

FIRSTLY, being composed of parts of Lots Eleven and Twelve in the Fourth Concession of the Township of Teefy in the District of Temiskaming and being the land and the land under the water of the Abitibi River and the islands therein, situate within the limits of Mining Location W.D. 301, containing eighty acres and more particularly described as follows:—COMMENCING at a post planted on the Northwesterly bank of the Abitibi River in the West limit of said location; thence North astronomically thirty chains; thence East astronomically twenty chains; thence South astronomically forty chains; thence West astronomically twenty chains; thence North astronomically ten chains, more or less, to the place of commencement;

SECONDLY, being composed of Broken Lot Ten in the Fourth Concession of the Township of Kerrs in the said District of Temiskaming and the land and the land under the water of the Abitibi River and all islands therein and including Mining Location W.D. 300 lying within the limits of said Broken Lot, containing three hundred and twenty acres, more or less;

TOGETHER with the right to hold and control the waters of the Abitibi Lakes for power purposes to such an extent and in such manner and subject to such conditions and stipulations as the Minister of Lands, Forests and Mines may deem expedient. All plans and specifications of works for the storage and regulation of said waters to be approved of by the said Minister.

RESERVING to His Majesty, His Heirs and Successors, the right to erect dams and maintain works other than or in addition to those erected and maintained by the Lessees for the storage of water for power purposes upon said lands and lakes and to charge the Lessees or owners of the powers benefited thereby a fair and equitable sum for the benefits conferred by such dams and works.

SECOND PART

Crown and Government Leases.

1. That certain Agreement made in duplicate the 20th day of August, 1912, between His Majesty, represented by the Honourable the Minister of Lands, Forests and Mines, for the Province of Ontario (therein called the "Government"), of the first part, and Shirley Ogilvie and Frank Harris Anson, both of the City of Montreal, in the Province of Quebec, Capitalists (therein called the "Grantees"), of the Second Part, under which the Grantees have been granted, subject to the terms and conditions therein set forth and also subject to the terms and conditions set forth in the Letters Patent under the Great Seal of the Province of Ontario, dated the 9th day of January, 1914, the right to cut and remove spruce, balsam, banksian or jack pine, poplar and whitewood trees, seven inches and upwards in diameter, two feet from the ground, sufficient to supply the mill or mills to be erected for a period of twenty-one years from unoccupied, unsold and unlocated lands of the Crown as follows:—Being composed of land situate near the Upper and Lower Abitibi Lakes and along the Abitibi River, and its tributaries, in the District of Temiskaming, containing by admeasurement fifteen hundred and sixty square miles, more or less, the outlines of which are more particularly described as follows, that is to say:—COMMENCING at the Northwest angle of the Township of Stimson, sixteen miles East of the town of Cochrane at the junction of the Temiskaming and Northern Ontario Railway with the Grand Trunk Pacific Railway; thence East astronomically fifty-four miles, more or less, to the Interprovincial boundary line between Ontario and Quebec, thence South astronomically along said boundary line forty-two miles; thence West astronomically twenty-three and one-half miles, more or less, to the Southeast angle of the Township of Michaud; thence continuing West astronomically along the South boundary of said Township six miles to the Southwest angle; thence North astronomically along the West boundary of the said last mentioned Township, six miles, to the Southeast angle of the Township of Munro; thence West astronomically along the South boundary of said Township of Munro six miles to the Southwest angle thereof; thence North astronomically along the West boundary thereof six miles to the Southeast angle of the Township of Coulson; thence West astronomically along the South boundary of the said Township of Coulson, and along the South boundary of the Township of Wilkie, twelve and a half miles more or less to the Southwest angle of the latter; thence North astronomically along the West boundary of the said Township of Wilkie, six miles, to the Southeast angle of the Township of Teefty; thence West astronomically along the South boundary of said Township, six miles to the Southwest angle thereof; thence North astronomically along the West boundary of the Townships of Teefty, Edwards, Mortimer and Stimson, twenty-four miles, to the place of beginning; EXCEPTING AND RESERVING nevertheless from the above

described area the Townships of Warden and Milligan, the Abitibi Indian Reserve, the land covered by the waters of the Upper and Lower Abitibi Lakes, and all islands therein, the right of way of the Grand Trunk Pacific Railway, including station grounds, all town sites, all lands theretofore leased, patented, located or applied for, in respect of which such proceedings have been taken or shall hereafter be taken, as in the opinion of the Minister of Lands, Forests and Mines might entitle the applicant or applicants to a lease or patent for such lands, and which said Agreement has, by Deed of Assignment approved by the Minister of Lands Forests and Mines, been transferred to and vested in Abitibi Power & Paper Company, Limited.

2. That certain Crown Lease of water powers granted by Letters Patent under the Great Seal of the Province of Ontario, dated the 17th day of September, 1912, whereby His Majesty did demise and lease unto Shirley Ogilvie and Frank Harris Anson, of the City of Montreal, in the Province of Quebec (hereinafter called the "Lessees"), subject to all the terms and conditions set forth in said Letters Patent and subject also to all the terms and conditions set forth in Letter's Patent under the Great Seal of said Province of Ontario dated the 9th day of January, 1914, amending said Crown Lease, ALL AND SINGULAR these certain parcels or tracts of land and land covered with water situate, lying and being at Iroquois Falls and Couchiching Falls on the Abitibi River in the District of Nipissing (that part of said District being now the District of Temiskaming) in the Province of Ontario, and more particularly described as follows:—

FIRSTLY being composed of parts of Lots Eleven and Twelve in the Fourth Concession of the Township of Teffy, in the District of Nipissing (now Temiskaming as aforesaid), and being the land and the land under the water of the Abitibi River and the islands therein, situate within the limits of Mining Location W.D. 301, containing eighty acres and more particularly described as follows:—Commencing at a post planted on the Northwesterly bank of the Abitibi River in the West limit of said location; thence North astronomically thirty chains; thence East astronomically twenty chains; thence South astronomically forty chains; thence West astronomically twenty chains; thence North astronomically ten chains, more or less, to the place of commencement;

SECONDLY being composed of Broken Lot Ten in the Fourth Concession of the Township of Kerrs in the said District of Nipissing (now Temiskaming as aforesaid), and the land and the land under the water of the Abitibi River and all islands therein and including Mining Location W.D. 300 lying within the limits of said Broken Lot, containing three hundred and twenty acres, more or less;

TOGETHER with the right to hold and control the waters of the Abitibi Lakes for power purposes to such an extent and in such manner and subject to such conditions and stipulations as the Minister of Lands, Forests and Lakes may deem expedient, all plans and specifications of works for the storage and regulation of said waters to be approved of by the said Minister;

RESERVING to His Majesty, his heirs and successors, the right to erect dams and maintain works other than or in addition to those erected and maintained by the Lessees for the storage of water for power purposes upon said lands and lakes and to charge the Lessees or owners of the powers benefited thereby a fair and equitable sum for the benefits conferred by such dams and works.

(Saving, excepting and reserving nevertheless unto His Majesty, his heirs and successors, all gold, silver, lead, copper, iron and other mines or minerals which are or shall be hereafter found on or under the said lands and all trees growing or being thereon) together with all advantages and appurtenances which may during the term thereby granted be held, occupied or enjoyed therewith, and which said Letters Patent as amended as aforesaid have, by Deed of Assignment, approved by the Minister of Lands, Forests and Mines, been transferred to and vested in the Abitibi Power & Paper Company, Limited.

3. That certain License of Occupation dated the 20th day of January, 1913, granted by the Minister of Lands, Forests and Mines of the Province of Ontario unto the Abitibi Pulp & Paper Company, Limited, its successors and assigns, whereby the said Abitibi Pulp & Paper Company, Limited, its successors and assigns, were granted, subject to the terms and conditions therein set forth and also subject to the terms and conditions set forth in the Letters Patent issued under the Great Seal of the Province of Ontario and dated the 9th day of January, 1914, full right and liberty, leave and license to construct and maintain a dam at or near Iroquois Falls to such a height only as will produce a fall or head of not exceeding thirty-five feet; and the right, liberty, leave and license to flood and overflow such lands then vested in the Crown, free from any claim of private individuals, as may be necessary in connection with the construction and maintenance of a dam of the height mentioned, and which said License of Occupation as amended as aforesaid has, by Deed of Assignment, approved by the Minister of Lands, Forests and Mines, been transferred to and vested in Abitibi Power & Paper Company, Limited.

This Indenture may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF Abitibi Power & Paper Company, Limited, has caused this Indenture to be signed in its name by Shirley Ogilvie, its Vice-President, and by Lee Roy Wilson, its Secretary, and its corporate seal to be hereunto affixed, and Montreal Trust Company has caused this Indenture to be signed by Frederick George Donaldson, a Director, and W. Stokes Greene, its Manager, and its corporate seal to be hereunto affixed.

ABITIBI POWER & PAPER COMPANY, LIMITED,

(Seal) (Sgd.) SHIRLEY OGILVIE,
Vice-President.

(Sgd.) L. R. WILSON
Secretary.

Signed, sealed and delivered by Abitibi
Power & Paper Company, Limited, in the
presence of

(Sgd.) G. T. Hendrie.

MONTREAL TRUST COMPANY,

(Sgd.) F. G. DONALDSON,
a Director.

(Sgd.) W. S. GREENE,
Manager.

Signed, sealed and delivered by Montreal
Trust Company as Trustee in the presence
of

(Sgd.) GEORGE D. ROSS.

DOMINION OF CANADA

PROVINCE OF QUEBEC

CITY OF MONTREAL

I hereby certify that on the 29th day of March, 1921, at Montreal, in the Province of Quebec, Lee Roy Wilson, personally known to me appeared before me and acknowledged to me that he is the Secretary of Abitibi Power & Paper Company, Limited, and that he is the person who subscribed his name to the annexed instrument as Secretary of the said Company and affixed the seal of the said Company to the said instrument; that he was first duly authorized to subscribe his name as aforesaid and affix the seal to the said instrument, and that such corporation is legally entitled to carry on business in the Province of Ontario.

In Testimony Whereof I have hereunto set my hand and seal of office at Montreal, Province of Quebec, this 29th day of March, 1921.

(Seal)

(Sgd.) DAKERS CAMERON, N.P.
Notary Public, Quebec.

DOMINION OF CANADA

PROVINCE OF QUEBEC

CITY OF MONTREAL

I hereby certify that on the 29th day of March, 1921, at Montreal, in the Province of Quebec, W. Stokes Greene, personally known to me appeared before me and acknowledged to me that he is the Manager of Montreal Trust Company and that he is the person who subscribed his name to the annexed instrument as Manager of the said Montreal Trust Company and affixed the seal of said Company to the said instrument; that he was first duly authorized to subscribe his name as aforesaid and affix the said seal to the said instrument and that such corporation is legally entitled to carry on business in the Provinces of Quebec and Ontario.

In Testimony Whereof I have hereunto set my hand and seal of office at Montreal, Province of Quebec, this 29th day of March, 1921.

(Sgd.) DAKERS CAMERON, N.P.
Notary Public, Quebec.

(Seal)

CANADA,
PROVINCE OF QUEBEC,

To Wit:

I, George Thom Hendrie, of Montreal, in the Province of Quebec, Accountant, make oath and say:

1. THAT I was personally present and did see the annexed Deed of Trust and Mortgage duly executed by Abitibi Power & Paper Company, Limited, under its corporate seal and the hands of Shirley Ogilvie and Lee Roy Wilson, its Vice-President and Secretary respectively.

2. THAT I personally know the said Shirley Ogilvie and Lee Roy Wilson and know them to be, respectively, the Vice-President and Secretary of the said Company, and the signatures purporting to be their signatures and set opposite the corporate seal of the Company at the foot of the said Deed of Trust and Mortgage were made by them respectively in my presence and are of the proper handwriting of the said Shirley Ogilvie and Lee Roy Wilson.

3. THAT the name "G. T. Hendrie" set opposite and subscribed as a witness to the execution thereof is of the proper handwriting of me, this deponent.

4. THAT the said Deed of Trust and Mortgage was so executed at the City of Montreal in the Province of Quebec.

(Sgd.) G. T. HENDRIE,

SWORN before me at the City of Montreal in the Province of Quebec, this 29th day of March, 1921.

(Sgd.) F. SEYMOUR BELL,

A Commissioner for taking affidavits in
the Province of Quebec for use in the
Province of Ontario.

CANADA,
PROVINCE OF QUEBEC,

To Wit:

I, W. Stokes Greene, of Montreal, in the Province of Quebec, Manager of Montreal Trust Company, make oath and say:

1. I am the Manager of Montreal Trust Company, the Trustee in the annexed Deed of Trust and Mortgage, and I am aware of all the circumstances connected with the said Deed of Trust and Mortgage and I am duly authorized and empowered by the said Trustee therein named to make this affidavit.

2. THAT the said Deed of Trust and Mortgage was executed in good faith and for the express purpose of securing the payment of the Consolidated Mortgage Sinking Fund Gold Bonds referred to therein and not for the purpose of protecting the goods and chattels mentioned therein against the creditors of Abitibi Power & Paper Company, Limited, the mortgagor named therein, or of preventing the creditors of such mortgagor from obtaining payment of any claim against the said mortgagor.

(Sgd.) W. S. GREENE,

SWORN before me at the City of Montreal, in the Province of Quebec, this 29th day of March, 1921.

(Sgd.) F. SEYMOUR BELL,
A Commissioner for taking affidavits in
the Province of Quebec for use in the
Province of Ontario.

CANADA,
PROVINCE OF QUEBEC,

To Wit:

I, George D. Ross, of Montreal, in the Province of Quebec, Clerk, make oath and say:

1. THAT I was personally present and did see the annexed Deed of Trust and Mortgage duly executed by Montreal Trust Company under its corporate seal and the hand of Frederick George Donaldson and W. Stokes Greene one of its Directors and its Manager, respectively.

2 THAT I personally know said Frederick George Donaldson and W. Stokes Greene and know them to be respectively one of the Directors and the Manager of the said Company, and that the signatures purporting to be their signatures at the foot of the said Deed of Trust and Mortgage were made by them respectively in my presence and are of the proper handwriting of the said Frederick George Donaldson and W. Stokes Greene respectively.

3. THAT the name " George D. Ross " set opposite and subscribed as a witness to the execution thereof is of the proper handwriting of me, this deponent.

4. THAT the said Deed of Trust and Mortgage was so executed at the City of Montreal, in the Province of Quebec, on the 29th day of March, 1921.

SWORN before me at the City of Montreal, in the Province of Quebec, this 29th day of March, 1921.

(Sgd.) F. SEYMOUR BELL,
A Commissioner for taking affidavits in
the Province of Quebec for use in the
Province of Ontario.

BY-LAW " XVI "

ABITIBI POWER & PAPER COMPANY, LIMITED

A BY-LAW RESPECTING THE BORROWING OF MONEY AND THE
ISSUE OF BONDS, DEBENTURE STOCK, ETC., BY THE
COMPANY

WHEREAS the Directors of the Company deem it expedient to empower the borrowing of money and if necessary the securing of the sums so borrowed on the assets of the Company;

NOW THEREFORE BE IT ENACTED as By-law " XVI " of the Company, and it is hereby enacted as follows:—

1. The Directors of the Company may from time to time:

(a) Borrow money upon the credit of the Company in such amounts and upon such terms as they may deem necessary:

(b) Limit or increase the amount to be borrowed;

(c) Issue Bonds, Debentures, Debenture Stock or other securities of the Company for sums not less than one hundred dollars each and pledge or sell the same for such sums and at such prices as may be deemed expedient;

(d) Charge, hypothecate, mortgage or pledge any or all of the real or personal property or both of the Company, to secure any such Bonds, Debentures, Debenture Stock or other securities, and any money borrowed for the purposes of the Company;

Provided that such Bonds, Debentures, Debenture Stock or other securities may be for sums not less than twenty pounds sterling, five hundred francs, or four hundred marks or for sums not less than the nearest equivalent in round figures of other money to one hundred dollars in Canadian currency.

PASSED by the Directors and sealed with the Common Seal of the Company this Eighteenth day of February, 1914.

(Signed) W. H. IRVING, President.

(Signed) H. H. DAVIS, Secretary.

(Seal of Abitibi Power &
Paper Company, Limited)

The above is hereby certified under the hands of the Vice-President and Secretary of Abitibi Power & Paper Company, Limited, and the Corporate Seal thereof, to be a true copy of the By-law authorizing the issue of the Consolidated Mortgage Sinking Fund Gold Bonds as a security for which the annexed Deed of Trust and Mortgage is made.

(Sgd.) SHIRLEY OGILVIE,
Vice-President.

(Seal)

(Sgd.) L. R. WILSON,
Secretary.

CERTIFIED COPY of Resolution passed by the Directors of Abitibi Power & Paper Company, Limited, at a Meeting held at the City of Montreal, on the 14th day of March, 1921.

WHEREAS at a Meeting of the Directors of the Company held on the 18th day of February, 1914, a By-law, being By-law XVI of the Company, was duly enacted, authorizing the Directors of the Company from time to time to issue bonds or debentures and to charge, hypothecate, mortgage and pledge the real or personal property of the Company, or both, to secure any such bonds or debentures, and to pledge or sell such bonds or debentures for such sums and at such prices as may be deemed expedient; and

WHEREAS the said By-law was duly sanctioned, ratified and confirmed at a special general meeting of shareholders duly called for considering the same and held on the said 18th day of February, 1914; and

WHEREAS it is expedient and in the interests of the Company that an issue of bonds shall be created and that the Directors should exercise the authority conferred upon them under the said By-law;

NOW THEREFORE IT IS HEREBY RESOLVED:

THAT Bonds of the Company, to an amount not exceeding in the aggregate \$14,000,000, be and the same are hereby created and the issue of the same from time to time is hereby authorized. The said Bonds shall be known as the Consolidated Mortgage Sinking Fund Gold Bonds of the Company. The Bonds of each issue shall be dated and made payable on such date or dates (the maturity date to be not later than the 15th day of March, 1940) as may be determined by the Directors of the Company at the time of each issue thereof and expressed in the Bonds of each issue. The Bonds shall be signed in the name of the Company by the President or Vice-President and countersigned by the Secretary or Assistant Secretary, and the Company's seal shall be affixed thereto provided that the engraved or lithographed signature of the President or Vice-President to the Bonds and of the Treasurer to the coupons attached thereto shall be effective as the signature of the Company thereto. Such Bonds may be issued from time to time and each issue of Bonds shall bear interest at such rate, not exceeding 8% per annum, and may contain such provisions in respect of payment thereof, with or without deduction for taxes and with or without premium in the event of the Bonds becoming payable before maturity, call and redemption thereof before maturity, and interchange or exchange of Bonds of different denominations and forms as shall be determined by the Board of Directors at the time of each issue and expressed in the Bonds of such issue. The principal or interest, or both, of all Bonds of any issue may be made payable at such place or places in gold coin of the present standard of weight and fineness of the Dominion of Canada, of the United States of America, of the United Kingdom of Great Britain and Ireland, or of any other country or countries,

at such fixed rate or rates of exchange as may be determined by the Board of Directors at the time of each issue and expressed in the Bonds of such issue. Such Bonds may be issued as Coupon Bonds, with or without privilege of registration as to principal, or as Registered Bonds interchangeable or not, as shall from time to time be determined by the Board of Directors, and expressed in the Bonds respectively, subject, however, with respect to all matters to be determined by the Board of Directors and expressed in the Bonds, to the provisions of the Trust Deed securing the Bonds, and any deeds supplemental thereto.

THAT Montreal Trust Company be and it is hereby appointed Trustee for the bondholders under such Trust Deed.

THAT the Bonds shall be secured by a specific mortgage and charge in favour of said Trustee upon all the Company's real and immoveable property and rights, concessions, pulp and timber leases and licenses, water rights, licenses and franchises, with all buildings, erections, factories, mills, tramways, reservoirs, wells, roads, piers, wharves, machinery, plant, poles, wires, telephones, railway sidings and trestles thereon, and any and all easements connected with or appertaining to the foregoing, and all its machinery, plant, equipment, tools, engines and other appliances and fixtures of every kind, and all stock, shares, bonds and other securities now owned by the Company or hereafter acquired by it, and a floating charge over all the other assets and properties of the Company, now owned or hereafter acquired, said specific mortgage and charge and said floating charge to be subject only to the mortgages, pledges and charges under Deed of Trust and Mortgage to The Royal Trust Company, Trustee, dated February 18th, 1914, securing the First Mortgage Six Per Cent Serial Gold Bonds of the Company outstanding, and which aggregated in principal amount at par on the 28th day of February, 1921, the sum of \$3,807,500 and under Deed of Trust and Mortgage to Montreal Trust Company, Trustee, dated March 23rd, 1920, securing the General Mortgage Twenty-Year Six Per Cent Sinking Fund Gold Coupon Bonds of the Company outstanding, and which aggregated in principal amount at par on said 28th day of February, 1921, the sum of \$4,000,000, said specific mortgage and charge and floating charge to be effectuated by a proper deed of trust and mortgage to the said Trustee;

THAT the said Deed of Trust and Mortgage, with schedules attached thereto, now laid before the meeting, drawn to secure any of the said Consolidated Mortgage Sinking Fund Gold Bonds, which may at any time be issued in accordance with its provisions, up to the aggregate principal amount of \$14,000,000, and containing provisions relating to the issue of such Bonds and of Interim Bonds, insurance, the establishment of a Sinking Fund, defaults, notice to and action by Bondholders and other provisions, are hereby approved, but the President or Vice-President of the Company shall have the right to make such corrections, changes and additions therein and thereto as may be approved by the Company's solicitors, and a letter addressed and delivered to the Trustee approving the deed for execution shall constitute such approval; and that a Deed substantially in the said form, with

such corrections, changes and additions as may be made therein and thereto, as above mentioned, and all other deeds necessary and supplemental thereto, be from time to time executed and delivered on behalf of the Company, and be signed and executed in the name of the Company by the President or Vice-President and the Secretary or Assistant Secretary and the Company's seal be thereto affixed.

THAT the first issue, designated as "the initial issue," of the said Consolidated Mortgage Sinking Fund Gold Bonds shall be of the principal amount of Four million dollars (\$4,000,000), shall be dated March 15th, 1921, shall mature March 15th, 1931, shall bear interest at the rate of eight per centum (8%) per annum, and shall be payable as to principal and interest in gold coin of the United States of America of the present standard of weight and fineness, but Two million dollars (\$2,000,000) of said Bonds, or any part thereof, shall, if so requested by Peabody, Houghteling & Company, be issued payable in Canadian gold coin, subject, however, to the condition that if, at the time of any payment of principal and interest, gold payments shall, by act of the Dominion Government or by law, be suspended in Canada, or, by like operation of law, Dominion notes are not redeemable in gold coin and the Company shall in consequence be unable to obtain gold coin except by payment of a premium, then in either of said events such payments shall be made in Notes of the Dominion of Canada.

THAT the Bonds of the said initial issue be issued as Coupon Bonds, in denominations of \$1,000, \$500 and \$100, and which may be registered as to principal only.

THAT the form of the Bonds of the initial issue in coupon form, drawn in accordance with the provisions of the said Trust Deed and duly submitted at the meeting, be approved.

The above is hereby certified under the hands of the Vice-President and Secretary of Abitibi Power & Paper Company, Limited, and the Corporate Seal thereof, to be a true copy of a Resolution of the Board of Directors, passed at a Meeting held at Montreal, on the 14th day of March, 1921

(Sgd.) SHIRLEY OGILVIE,
Vice-President.

(Seal)

(Sgd.) L. R. WILSON,
Secretary.

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

I, Lee Roy Wilson, residing at 725 Belmont Avenue, in the City of Westmount, in the Province of Quebec, being duly sworn do depose and say:

1. I am the Secretary of Abitibi Power & Paper Company, Limited.

2. The foregoing are certified copies of By-Law XVI adopted at a meeting of the Board of Directors of Abitibi Power & Paper Company Limited, held on the 18th day of February, 1914, duly confirmed by the Shareholders at a Special General Meeting held on the same day and the resolution adopted at a meeting of the Board of Directors of said Company held on the 14th day of March, 1921, referred to in the Deed of Trust and Mortgage, to secure the Bonds and coupons therein mentioned executed by Abitibi Power & Paper Company, Limited to and in favour of Montreal Trust Company as Trustee for the bondholders and dated the Fifteenth day of March, Nineteen hundred and twenty-one, said copy of by-law and resolution being duly certified under the seal of the Company by Shirley Ogilvie, the Vice-President, and myself the Secretary, and to which the seal of the Company was thereto affixed by me in the presence of the said Vice-President.

And I have signed.

(Sgd.) L. R. WILSON,

Sworn before me at the City of Montreal, in the Province of Quebec, this 29th day of March, 1921.

(Seal)

(Sgd.) DAKERS CAMERON, N.P.
A Notary Public in and for the Province
of Quebec, whose seal of office is
hereto affixed.

MONTREAL TRUST COMPANY

BY-LAW No. 12

Documents requiring the signature of the Company shall be signed by the President, a Vice-President or a Director with the General Manager, the Assistant General Manager, the Secretary, a Manager or an Assistant Secretary, also by such other person or persons, either alone or with a Director or with one of the above mentioned officers, as the Board may from time to time by Resolution authorize, and all documents so executed shall be binding upon the Company without any further authorization.

The seal of the Company when required may be affixed to documents so executed.

I certify the above to be a true copy of By-law No. 12 of Montreal Trust Company.

(Seal)

(Sgd.) W. S. GREENE,
Secretary.

Montreal March 29th, 1921.

ABITIBI POWER & PAPER COMPANY, LIMITED

BY-LAW IX

“ The seal, an impression of which is marked on the margin hereof, shall be the common seal of the Company and when used shall be authenticated by the signature of the President or the Vice-President and the Secretary or by the Directors or by such other person or persons as the Board of Directors may authorize.”

I hereby certify the above to be a true copy of By-law IX of Abitibi Power & Paper Company, Limited, enacted by the Directors at a meeting held 18th February 1914, and confirmed at a General Meeting of Shareholders on the same day, and that the same is still in force.

Montreal, March 29th, 1921.

(Seal)

(Sgd.) L. R. WILSON,
Secretary.

THE MINISTER OF LANDS AND FORESTS hereby CONSENTS to the making of the within Assignment by way of Mortgage by Abitibi Power & Paper Company, Limited, but this consent shall not extend or authorize any further or other assignment or sub-letting, whether under the provisions herein contained or otherwise, nor shall the consent of the Minister of Lands and Forests hereto affect in any way the rights, powers and remedies of the Crown as to any matter or thing, save only the right of the Crown to forfeit the said lease by reason of the making of this present Assignment by way of Mortgage.

DATED at Toronto, this 30th day of March, 1921.

(Sgd.) BENIAH BOWMAN,
Minister of Lands and Forests.

Signed, Sealed and Executed in the presence of:

(Sgd.) F. J. NIVEN.

(Seal)

No. 19716, TEMISKAMING

Received at the Office of Land Titles, at Haileybury, at 11.50 o'clock A.M.,
of the 31st day of March, A.D. 1921, and entered in Folium Vol.
Parcel :

234 L. Nip. N.D.	8 L. Temis.
6633 Nip. N.D.	6385 N.D. Nip.
5193 "	6708 "
2285 "	6684 "
4067 "	6582 "
5546 "	4571 "
3574 "	4502 "
7481 "	342 "
345 "	72 "
6663 "	3317 "
6680 "	3947 "
6682 "	6681 "
7537 "	3626 "
6568 "	6696 "
6607 "	4016 "
6577 "	1617 "
6569 "	6642 "
6609 "	6697 "
	6677 "

(Sgd.) M. MONTGOMERY,
L.M. of T.

Received and
filed in my office at 12
noon this 31st day of
March, 1921, as No. 5473.

(Sgd.) THOS. J. MEAGHER,
District Court Clerk
Temiskaming.

DEPARTMENT OF THE SECRETARY OF STATE OF
CANADA

CERTIFICATE OF REGISTRATION OF A TRUST DEED AND SERIES
OF DEBENTURES

Application having this day been made for the registration of a Trust Deed, dated 15th March, 1921, and executed by the ABITIBI POWER & PAPER COMPANY, LIMITED, for the purpose of securing the series of debentures hereinafter mentioned, and application having been also made this day for the entry on the Register of the particulars required by sub-section 3 of Section 9 (69a) of The Companies Act Amendment Act, 1917, in relation to a series of debentures (containing, or giving by reference to any other instrument, a charge to the benefit of which the debenture holders of such series are entitled *pari passu*) the issue of which was authorized by resolutions of the said company duly passed, and the said Trust Deed having been delivered for registration within thirty days after its creation, I hereby certify that the total amount secured or intended to be secured is FOURTEEN MILLION DOLLARS (\$14,000,000) and that the said Trust Deed has this day been registered pursuant to section 9 (69a), sub-section 1, of the said Act, and that all the particulars required by sub-section 3 of section 9 (69a) of the said Act in relation to the said series have been entered on the register. ✓

Given under my hand at Ottawa, this First day of April, One thousand nine hundred and twenty-one.

(Signed) THOMAS MULVEY,
Under-Secretary of State.

(Seal)



3 0112 105646530